Acknowledge
No. 33 to 84807
A6902
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No. 55

Legation of the United States,
Peking, July 21. 1869

Sir,

I have the honor to inform you that I took charge of this Legation on the departure of Mr Browne on the 5th inst., and have since notified the same to the Chinese authorities.

I have also to acknowledge the receipt of your dispatches No. 30 to 36 inclusive, addressed to him, with the commissions of Mr. De Lano and Mr Chenowith, the consuls appointed to Fuhchau and Canton, to whom they will be sent, and their names announced to the Foreign Office, as soon as I hear of their arrival in the country.

Since the departure of Mr. Browne, the arrival the Austrian Embassy under Admiral Pelz, for the purpose

of

Hon. Hamilton Fish
Secretary of State

of negotiating a treaty with this Government, is the only occurrence of interest; he is accompanied by a number of scientific men. It may be gratifying to you also to learn that quiet is, at the present time, restored over a larger portion of this Empire than has been the case since 1850. After the suppression of the Taiping rebellion by the recovery of Nanking in 1864, and the dispersion of their adherents in Honan and Shantung in the three following years, there remained large bodies of Mohammedan insurgents in the northwestern provinces of Shansi, Shensi, and Kansuh, who defied the Imperial forces, and on one occasion approached within a few days' march of Peking. Their ravages were dreadful, and threatened to make those fertile regions a desert unless they were restrained.

Tso

Tso Tsung-tang, the Governor-general at Fuhchau, was transferred to the scene of action, and found almost four-fifths of his jurisdiction under the control of these banditti. He has been about three years in command, and has driven them back towards the Desert, and exterminated their troops, almost without external aid, until none of them remain in Shansi or Shensi, and peace allows the harassed people to reöccupy and cultivate their lands. Great credit is due to this officer for his ability in suppressing these ruthless bands, and it is to be hoped that he will be able to complete the work.

These Mohammedans had had no cause of complaint against the Imperial Government for interfering with their faith; nor have their co-religionists in Peking and its vicinity received any molestation from the authorities, nor on their part manifested

fested any sympathy with the rising. It will, however, take many years for those provinces to recover from its exhaustion, but the prospect is favorable that that part of the whole empire comprised within the eighteen provinces will soon be under the control of the Imperial authorities, the two provinces of Kansuh in the northwest, and Yunnan in the southwest, being the only two where it is now resisted.

I have the honor to be,
Sir,
Your Obedient, Servant
S. Wells Williams

Mr Pitt Acknowledge: ~~for reasons which must occur to a~~ The Dept has decided after careful consideration not to continue the publication of diplomatic Correspondence after it is called for by Congress

DEPARTMENT RECEIVED SEP 26 1869 OF STATE

No 102

Legation of the United States,

Peking, July 23. 1869

Sir,

The Consul general at Shanghai has informed this Legation that he has sent a copy of his dispatch No: 182, of the 10th inst. to the Department of State, urging the desirableness of keeping the U. S. consuls in China well informed of the views of the Government upon its policy towards this country.

In former years, the annual volumes of the Diplomatic Correspondence have furnished extracts from the archives of this Legation containing all that would be

Hon Hamilton Fish,

Secretary of State.

be useful to the Consuls of what had transpired during these years; and if they are still to be issued, it is perhaps all that is needed, measures being taken to furnish the printed copies as soon as they are struck off.

But if this annual publication is to be discontinued, Mr. Seward's suggestion with reference to the printing of the correspondence with China as illustrating the views of our Government, is well worthy of your consideration. In most cases, a consul at Swatow or Canton has no time to send to Peking and receive the particular details of an event or decision on which he wishes to found his present action, although he may have those general rules for his guidance

guidance which are found in the treaties or in the consular records; at such times it is very useful to know what has been done elsewhere, and I suppose there is no other mode of bringing this about than to have the correspondence called for in Congress. I hope, however, that there is no intention of suspending the yearly publication of the Diplomatic Correspondence, for the information contained in the past volumes is of the greatest interest to all Americans abroad, if one may judge by the eagerness of those in China to get them.

I have the honor to be,

Sir,

Your Obedient Servant

S. Wells Williams

DEPARTMENT OF STATE
RECEIVED
SEP 28 1869

Acknowledged Mr. Bates

Legation of the United States,

Peking, July 30. 1869

Sir,

The inclosed translation properly belongs to Mr. Browne's dispatch No. 52, relating to merchant-consuls, and I have marked it as Inc. C. It sets forth the objections of the Chinese officials to this class of officers more plainly than they have previously done, and their views on the subject deserve some consideration, seeing that with them a mandarin and a merchant stand at extreme and opposite ends of society. Further discussion on this point will be found in

Mr

Hon. Hamilton Fish

Secretary of State

Mr. Burlingame's dispatches Nos 26 and 31 (Dip. Cor. 1862, pp. 905, 918, 924 passim); but the Chinese authorities have practically allowed this class of consular authorities to exercise their functions at the ports, seeing that it is better for both parties to have some responsible authority there to look after sailors and others, than to refuse to acknowledge them.

I have the honor to be,

Sir,

Your Obedient Servant

S. Wells Williams

Dispatch. No. 52
Inclosure C

Tungchi. 8th year. 6th moon 7th day
July 15. 1869

Prince Kung. chief Secretary of State for Foreign Affairs, herewith makes a reply.

I recently had the honor to receive your Excellency's dispatch, in which you state that "The Consul-
"general of Sweden and Norway ap-
"pointed Mr Craig to be their consul,
"for he was not a consul of the United
"States, you acting merely in behalf of
"those countries in informing me; adding,
"that, although China does not regard
"mercantile consuls as the same in
"rank as salaried consuls, that they
"are both to be considered as represen-
"tatives of the countries which have
"appointed them, and therefore worthy
"of respect; and further explaining the
"first declaration of Mr. Reed, and its
"application to the five ports then
"opened, and not to others which might

be

"be subsequently opened." &c. &c

Upon this subject I may observe, that the unwillingness of this Government to have merchants act as consuls arose from the apprehension lest, whenever a judicial case arose connected with the Firm of which the consul is a member, which he must jointly examine, there might be some difficulty as to its management; for must not the merchant, sitting with the local magistrates in his consular capacity try the case; or should he go out of the court as being connected with the criminals, and let them alone try it? Or, supposing the mercantile consul in such a case, deputed his partner to try it, so as not to appear himself, will any man believe that there has been no partiality or favoritism exhibited when the head of a Firm tries one of its members? In all such cases [of personal interest], there would manifestly be a great objection to such a course.

Furthermore, there are many inconveniences in relation to the parity of mercantile consuls with

with the salaried in their standing; and also in their official correspondence with the local authorities. If a merchant fills the office of consul, he of course, as an officer, attends to its duties; but when this same consul carries on trade, it must be that he is more properly called and regarded as a merchant

In respect to the remark in the dispatch now under reply, that Mr Reed only referred to [consuls at] the five ports then open to trade, and not to any ports that might be opened in future; I may observe that his dispatch, as you will perceive, is very explicit on this point, and his remarks convey a clear meaning. But in regard to the main argument of your dispatch that merchants can act as consuls, it is impossible for His Majesty's Government to regard the two as the same in standing.

Orders will be sent from this Office to the local authorities [at Amoy] to accept Mr. Craig as a consular officer; but in all such appointments to consular posts made in future, it is important

portant that the rule laid down by Mr Reed be followed.

To His Excellency J. Ross Browne
U. S. Minister to China

Recd 28. Oct.
Ackd by Pres. 21 Jan'y 70
Mr. Brito

No. 58

Legation of the United States.
Peking, August 26th 1869.

Sir,

A perusal of the various elaborate dispatches of the Hon. W. Browne upon the present attitude of the Chinese Government towards foreign nations, and the indisposition its highest functionaries show to accept the many improvements urged upon them, will have put you in poisession of every fact and argument that can be necessary to prove his position. Those papers show clearly how very far behind the condition of Western nations is this people in every thing that constitutes modern material civilization, and the discouraging inertness which proves such a powerful barrier to introducing some of the appliances of that civilization. I merely refer to them in general, as you are fully aware

of

Hon'ble Hamilton Fish
Secretary of State.

of their scope, yet it seems to me that a few remarks upon the reasons for this inertness, and the causes which have fostered this unwillingness, will tend more fully to show the difficulties which lie in the way of the Chinese adopting them.

In discussing this view of their position, it is not necessary to advocate the benefits of these changes, nor the irreconcilable differences between pagan and Christian polities, now coming into constant comparison and collision as our intercourse extends, for these points have been brought out; my object is to show how slowly the advances we wish to encourage are likely at first to be, if the independence of this empire continues.

One of the great difficulties to progress is the ignorance of the whole people, high and low, official and plebeian, of everything that pertains to all other countries. When we are told of the vast extent of Chinese literature, and the curious language in which this literature is embalmed, it might be inferred

that

that the nation which had used and multiplied these books for two thousand years and more, must be a learned people. And yet I venture to say, that the Chinese language now presents the most formidable barrier to the advancement of the Chinese people; and that the labor to themselves of mastering its characters is so tedious as to unfit and indispose them for further progress. The proportion of intelligent readers in the country is very small to the number of those who can read the names of the characters without getting a clear idea of their meaning; and the proportion of those — who have only a smattering of their own written tongue, to those quite ignorant of it, is still less. In the north of China, the proportion of men who can understandingly read a page of their own books, has been estimated as low as one in ten; while out of these ten, perhaps four can read the page off with difficulty, but can not explain its meaning. In the southern provinces, the proportion is far greater, and perhaps three or four in ten can read common books intelligibly to themselves.

themselves. The proportion of females who can read at all, is so small that it need not be estimated in a general view of the intelligence of this people.

It may appear strange that a man should be able to read off a page in his own language, and not understand its meaning; for such I suppose could hardly be said of any other language; but it is best illustrated by a pupil who has learned to pronounce Latin, and can read a page in Livy without getting a clear idea of the meaning. So in Chinese. A lad is first taught the forms and names of the characters by dint of writing and repeating them, and afterwards their meaning is explained. There is no attempt at dissecting their component parts, or grouping them in classes, to facilitate their acquisition, and more easily impress them upon the memory; but they are just learned, as it were traditionally, — as one would learn the names of minerals or a catalogue of persons. By this process, the memory is exercised without giving it corresponding ideas, and this tends, I think, to weaken the

judgment,

judgment; so that when the meaning of the characters in the school-books are explained, the mind receives the instruction without weighing its utility or truth. The books in which Chinese youth are taught, though remarkable as a system of political ethics, and necessary for them to learn thoroughly in order to fit them for their part in future life, contain nothing about geography, physics, mathematics or natural history. By the time they are learned, the scholar is ready to enter upon the competitive examinations for which he has been preparing, and the hope of winning in which has been his stimulus through years of dull study; but what an ill-furnished mind he has! And the whole body of Chinese youth study the same series of books, and their minds are imbued with no other ideas than those of Confucius and his commentators.

But these are scholars who are able to go through the regular course, and they form a scintilla only of the number who are unable to get more than a few years' schooling.

schooling, and then enter the active duties of life, with only a partial knowledge of books, and ability perhaps to read stories, and keep accounts and correspond on business.

The great end of education being to fit for the examination by which office and position are alone obtained, incidental studies are regarded as lost labor; and when these ends have been reached, the mind naturally looks upon the means used as the best and only objects of study. Thus all desire to learn about other countries is checked, at the same time that the conviction is formed that those countries have nothing really worth the knowing; and as there are almost no means of learning much about them, any desire to become better acquainted with them, (as has recently been the case,) finds little to gratify it. So far as I know, not one out of the myriads of emigrants to California and Australia, who have remained there or returned, have undertaken to give their countrymen an intelligible, accurate account of what they have seen or learned abroad. Every book

of

of the least practical value about other countries has been written by foreigners.

The Chinese language cramps the powers of the mind of the people by making them have an overweening idea of the excellence of the ideas and teachings, which cost them so much labor to understand; but its nature is such that no one can learn to read another language through it. Europeans find no great difficulty in acquiring Chinese, and even the Japanese and Koreans can learn it through their own written languages; but no ingenuity or talent on the part of a Chinese will acquainted with English, would enable him to prepare a work by which he could convey his knowledge of that tongue to one of his countrymen, so that he also could intelligently read English books. In this respect the Chinese language stands isolated, and isolates those who speak it. Its meagre monosyllables cannot express the flexible combinations of alphabetical languages, so as to enable one who hears them to recognize his own tongue; and its want of inflections disables it from expressing the subtle modifi-

cations

cations of thought in other tongues. Thus a native scholar in China of the highest inquisitiveness is shut out from learning about other lands by those means so open to us in the acquisition of their languages, and must confine himself to translations, or obtain the aid of one who speaks it, if he wishes to learn about them.

Thus it happens to the Chinese, as is the case generally, that where nothing is known there is thought to be nothing worth knowing, and their ignorance continues. Through the efforts of missionaries, many elementary publications relating to the condition of other lands have been prepared, and newspapers circulate much general information, but the mass of cultivated, influential mind has not yet been reached so as to excite it to spontaneous action. In fact, under such a state of things, there is nothing to induce these classical-educated Chinese to make any advances towards foreigners; and when they hold office, their esprit-du-corps forbids their doing so. I speak of the great body of literati, for already light is breaking in upon many minds, and inquiry begets action; —

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the precursor of greater triumphs to come. But the great difficulty remains:- the language is so cumbrous a vehicle of thought, so burdensome to the memory and starving to the intellect, so beyond the reach of the great mass of men and women by reason of the time needed to learn it, so stiff in its modes of thought and unassimilating with those of other lands:- in short, so unfit as a means of expanding the minds of a great nation, that its best wisher despairs of success.

The system of competitive examination in the teachings of the Confucian classics, has tended to raise up a class of literati and gentry, which, as at present constituted, oppose that progress which we now urge upon the nation. They do so, however, because they have not yet seen any inducement to alter their views, but the instances which have already appeared among them of men able to rise above the prejudices of their class, prove that the same opportunities only are needed to make these men leaders of their people. It is a mistake which is often repeated, that some-

how

how or other this class presents a great contrast to the laboring class below it. Such phrases as "an industrious and inoffensive population", to describe the latter; and "the impracticable truculent literati" for the former, convey only a part of the truth. As knowledge extends, influential men will arise out of both classes, for their distinction is only one of position not right, and ignorance, prejudice and distrust belong alike to both. At present, the native trading classes are in advance of the literati in appreciation of foreign things and ideas; and the change in sentiment which has taken place in Canton and that region since 1856, indicates, I think, what will take place elsewhere, after similar influences are brought to bear upon the community.

The educated gentry naturally take the lead where they possess nearly all the learning, and the peasantry are generally contented to follow them, too, knowing that they have the power to enforce their orders. As long as the gentry hold this position, it would be unwise in the government to

force

force innovations for which there had been no previous preparations, no measures taken to show that they would be beneficial improvements. If the Chinese were under the same intelligent control that the Hindoos are, an improvement that would benefit them as much as a railroad, might be driven through their country, despising their prejudices and their ancestral tombs together in its progress; but they are not under this control, and the present Government has no desire to override prejudices with which its members fully sympathize, and of whose strength they have better knowledge than we have.

These very prejudices, indeed, are only the outgo of the contracted education the Chinese have in their classics, and I see no other way to remove them than by the patient processes of educating them in something better. Even if China was conquered, this ignorance would impede every effort for her melioration, itself being one cause of her present backwardness. We expect that the stipulations of a treaty will be observed, but whatever may be the desires and designs of the native authorities,

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it is evident that if it is very far ahead of the ideas and knowledge of this educated class, more time and patience will be requisite to bring them up to the stand. and of the treaty. These compacts with foreign nations form charters in some sort, upon which to educate the ruling class in China to a higher grade of knowledge, and such has been their effect. The progress made since the first treaty of Nanking in August 1842, has been on the whole encouraging.

Much of the reason for the dislike of the Chinese to foreigners is to be found in the conduct of foreigners during the past three centuries; but more, in recent times, perhaps, to the fear among the ruling class of their ultimate designs. The motives derived from true religion which prompt any one to sacrifice himself for the good of others, cannot be appreciated by such a class, nor indeed by any of the people here, until experience has proved their philanthropy. This apprehension is strong, and is continually exaggerated among the officials by their depending upon each

other

other for their views and facts, instead of seeking to ascertain what is the truth. It, however, acts as a great obstacle in the way of advance; but will become weaker and weaker as a new and younger set of men come upon the stage. I am inclined to think that this fear of the ultimate designs of those who urge the introduction of railroads and such things into China, has been the strongest point of the resistance the proposition has met, for the officers know that not one of their own countrymen could manage a locomotive or construct a steam-engine. It must not be forgotten, either, that the present ruling class in Peking came into the palace by guile and conquest; and history suggests caution, lest an influence be conferred which may become uncontrollable. Then, further, the rivalries between different nationalities furnish another source of discussion and doubt as to whether such novelties and inroads upon old custom would really lead; and this direction, in their contracted view is almost

certain

certain to be disastrous, and perhaps in a measure really so.

In fact these improvements have all been so recently started upon the high Chinese officers, that they have become dazed, so to speak, with the energy with which they are urged to adopt them. The discussion will do them good, if they can only feel that no force is to be used,—for discussion and knowledge are what is needed throughout the land. How then, it may be asked, is all this mass of ignorance and prejudice to be removed, and this people elevated to a position adequate to its numbers, industry and love of peace? Unlike all other pagan nations, the Chinese people have preserved their self-government, and retain to a remarkable degree those institutions which secure life and property to every member of the community. The literary class is the guardian and exponent of these institutions, and from it come the rulers of the land, the people who now oppose and decline the propositions we urge upon them because they cannot see their desirableness

or

or advantages as we do. Their ignorance is their fault indeed, but it is their misfortune too; for instead of taking measures to learn the truth about them, which would involve some labor, and perhaps loss of caste in their immediate circle, most of the gentry and officials consult their fears, or their prejudices, or their animosity, and denounce the proposal altogether. Evidently, with such a powerful class arrayed against the introduction of foreign improvements, the present Government must await the effect of time and diffusion of information to show the groundlessness of these fears and folly of this bigotry. As soon as the people anywhere can see the way clear to open a railroad, they will do so; but it is not so easy for the Government to drive one through the land irrespective of their prejudices.

I see no way for the promotion of these very desirable objects of removing prejudice and ignorance, so promising as the development and extension of the various forms of benevolent effort adopted by missionary societies. The opening of hospitals, where an explanation of the leading truths of Christianity

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is given as the reason for the gratuitous aid extended to the sick, has already done much to elevate the character of foreigners. The preparation and circulation of books upon all branches of science, is diffusing information upon the condition of other lands; and the children taught in mission schools will by and by take their places in conducting the affairs of their native land. The few thousands of converts to Christianity scattered along the maritime provinces chiefly, form the nucleus of a new class of thinkers favorable to the highest welfare of their country, and ready to call upon all their countrymen to partake of their faith and its rewards. Above all, the Word of God has been given to the people, and has already attracted much attention from those who have never seen a foreigner, as well as others. The extension of these philanthropic efforts will no doubt excite some opposition from bigoted and suspicious men, but this is a sign of progress, and promotes inquiry. The apathy and vis inertia of the pagan mind is a great obstacle, and whatever overcomes its deadness and arouses thought,

helps

helps the cause of progress. There is no influence now acting upon the Chinese mind so powerful and thorough, as that flowing from the labors of missions, and none so promising of good to mind and body. The influence of emigration to and from California and Australia is considerable in Canton province; and that of commerce everywhere along the great channels of trade.

If I have at all succeeded in representing the difficulties in the way of the rapid advance of the Chinese in western material civilization, by introducing our improvements, I have also tried to show that they are not insurmountable, and that influences are at work to modify and remove them. We are perhaps disinclined to wait for the slow results of these influences; but what other way is there to elevate and purify and strengthen this race, than to adopt those measures, which by the blessing of God have made the English or German speaking races what they are? At present; peace seems to be restored in nearly the whole of the Eighteen Provinces, and there appears to be no desire on the part of the rulers to

retrace

retrace their steps, or on the people of a relapse into barbarism. Both are vastly behind what we might expect them to be; and after making the trial of ages to elevate themselves they fall back or keep on as they have done. Nothing less than the power of the Gospel of peace on earth and goodwill to men, is adequate to effect this great work; and I believe it has already begun its triumphant course through the land. Though this course may excite some opposition from those of the official or literary class who see therein danger to their own influence, the lives and conduct of the converts must ultimately prove the strongest ground for enabling all classes to form an opinion as to the merits of the new doctrines.

The power at present is — in the hands of men who have been nurtured in the old system, one feature of which was to completely ignore all other countries as much as if they had not existed, and whose tendency is to elevate everything Chinese above its true value. These men naturally cling to their old views, but the discussion

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of new things from other countries has already drawn their attention to them; and if they can be assured that no lurking designs conceal the hidden evil which they dread, they may come to admit some of the novelties to be improvements. The work is vast, involving the welfare of so many millions that one wishes it may go on peacefully, yet the elements of division are so powerful that it seems impossible to bring in a higher civilization without great convulsions. My hope is in the All-wise Governor of nations that these inevitable changes may be made ready among the Chinese by the blessing given to the teaching and reception of the truths of His holy Word

I have the honor to be,

Sir,

Your Obedient Servant

S. Wells Williams

Recd 28. Oct. Mr Pratt acknowledge

No: 59 — 1 Inclosure

Legation of the United States,

Peking, August 28th 1869.

Sir,

As an illustration of the remarks in my last dispatch upon some of the difficulties in the way of the Chinese progressing in western arts and learning, I refer you to Inclosure A. It is the translation of a memorial from Wo-jin, and two other high officers of Government, respecting the serious loss recently suffered in the destruction of the Wu-ying Tien. This building and others connected with it, the whole forming a sort of special department for the preservation and publication

Hon'ble Hamilton Fish,

Secretary of State.

lication of books and records, was, accord-
ing to my best information, accidentally
set on fire in a kitchen when trying to
smoke out musketoes, and entirely reduced
to ashes before help could be obtained, -
owing partly to the regulations closing all
the gates leading into the palace grounds
during the night. The main edifice was
erected about A.D. 1420, and was one of
the oldest buildings in Peking; its
pillars and ceilings were made of rare
wood from the southern provinces, no
longer to be found, and therefore the more
highly valued.

As the memorial states, it was the
depository of the records of Government,
and of the blocks of those publications
issued at its expense; and their destruc-

tion

tion is a serious loss. I have not been able to ascertain the details, but it is undoubtedly one of the greatest losses lately suffered by the Government, and in a large measure irreparable. I am told that the blocks were carefully piled, each work by itself, up to the roof, and of course they added greatly to the fury of the flames.

Wojin, who writes this memorial, and adduces the warning to the Emperor against his repairs, is one of the oldest and most influential, respectable - members of the Government, one of the Cabinet officers who has - passed through all the grades without reproach. In 1867, he was appointed to be a member of the Foreign Office

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in order to bring him into closer relations with the party in power, and enable him to ascertain, from intercourse with foreigners, that their designs were not dangerous; and also get his great influence in favor of the proposed college, by placing its management partly in his hands. But the old man held himself aloof, refused to become one of the working members of the Foreign Office, and has since been rather opposed to the plans and projects of the present administration.

His manner of reasoning in this memorial as to the warning to be derived from this fire, commends itself to a large part of his countrymen, and shows us how much he and they have to learn.

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It is discouraging, perhaps, but it is not strange; for hitherto these literary men and officials have had few opportunities, in their seclusion in Peking, to learn what is going on abroad, and little motive to inquire, if they were not officially involved. No small progress has been made during the last ten years in teaching them, and all Chinese officers are not so inimical to progress, or afraid of its results, as Wojin and his party; but there must be some time allowed for the new and doubtful propositions brought before the nation to be considered. And it is the nation, and not its officers alone who all spring from its bosom, which must be gradually educated up to the better understanding of foreign improvements; for until this is done,

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at least to some extent, they will be rejected.

I might here mention, in illustration, the case of Sr. Amaral, the Governor of Macao in 1849, who was killed by the Chinese there because he had run roads much needed in the colony, through their family grave-plats; and the same reasons which were adduced to extenuate this murder, were brought forward by Pau-yun in his last parting interview with Mr. Browne, to show how difficult it would be to open railroads at present, for the people would not permit their ancestral tombs to be disturbed.

As an exemplification of the average reasoning of Chinese statesmen upon matters of statecraft, I commend this memorial to your perusal.

I

I have the honor to be,

Sir,

Your most Obedient Servant

S. Wells Williams

From Peking Gazette. Aug. 10. 1869.

Memorial respecting the burning of the Wu-ying Tien or Martial Glory Palace.

Your Majesty's officers Wo-jin, Seu Tsung, and Wäng Tsung-ho, kneeling, memorialize [your Majesty] respecting a sedulous attention to your divine virtue in order to stop the recurrence of calamity.

On the night of the 28th of July, the Wu-ying Tien, or Palace of Martial Glory was burned, and the books, records, blocks, and documents all reduced to ashes. This palace was the storehouse of all the books published by Government, and the sacred instructions (i.e. edicts) of the various monarchs of this dynasty were here printed from the engraved blocks:- for such an important place, a spot whence issued

these

those commanding regulations, to be burned to ashes in one night is indeed a calamity of no ordinary importance. It is worthy of serious reflection, that in the time of Tsinglung's reign of the Wei dynasty (A.D. 233) the High Beautiful Palace was burned; and Kao Tang-lung ascribed its destruction to the reckless expenditure of the monarch in adorning his palaces; as he forgot the beggary and sufferings of his people, therefore the flames broke out in his principal hall. Again, in the reign of Tienshing of the Sung dynasty, (A.D. 1023), the Perfectly Beneficial and Beautiful Palace was consumed, which Su Shun-kin, in his minute on the subject, showed was ascribable to the same cause.

It appears, therefore, from those works which describe fulfilled prognostics, that

whenever

whenever palaces have been burned, the warning has come from pleasure-houses or great halls. At this present time, the province of Shensi is not quieted, nor have the people there recovered from their calam. ities; though the Yellow River has for the moment retired within its banks, the Pei-ho has again swelled and deluged the country; and the means of supporting the Banner Force are daily diminishing, the treasury and stores having become exhausted. Truly, it is a time of distress among the people and emptiness in the revenue. Yet year after year the outlay for carpenters and masons does not stop; the towers over the Tien-an and Shin-wu Gates have been rebeautified, and many new works are projected within the Palace itself. That calamities will arise from

these

these cannot of course be certainly asserted.

Your ministers would, however, urge that from this day Your Majesty animate others to cultivate economy, that you personally live more frugally, and stop all expenditures on both great and small works, giving orders to those who oversee them to suspend their operations. We also request that orders be given to officers of the court to conduct their duties with sincerity lest they fail in the end of their appointments. By these means, calamities and changes will cease, and the whole empire become happy. We now present these our crude ideas as they occur to us, not knowing whether they are proper or not; but humbly begging upon them the sacred Glance of their Majesties, the Empress Regents, and of your Imperial Majesty. A careful memorial.

The Will has been received: "It is recorded."

Rec'd 28. Dec

Mr. Pruyn
No enclosures
Acknowledged

No 60 — 2 Printed Reports

Legation of the United States,

Peking, August 30th 1869.

Sir,

I have the honor to send you a copy of the Reports of the Imperial Customs for the trade at the open ports during 1868, furnished me for this purpose by Mr Robert Hart, the Inspector General.

I respectfully commend these valuable reports to your perusal, as exhibiting, in a short compass, the most trustworthy account of the foreign trade at the open ports, and the native trade connected

Hon'ble H. Fish,

Secretary of State.

connected with it, that we have. The gentlemen who are at the head of the local custom-houses are nearly all now acquainted with the Chinese language, and able therefore to prosecute their researches wherever they are likely to be rewarded.

I particularly note the reports from Niuchwang and Ningpo, as combining information upon the geography and industry of the people of those regions, with the trade they carry on; but each one is replete with that kind of statistics which is so much needed to enable us to know the actual condition of the Chinese. The data respecting the progress and effects of the cultivation and use

of

of opium, suggest very sad and dis-
heartening reflections to every well-
wisher of this country, especially in
view of its adopting the improvements
now urged upon the rulers by for-
eigners, upon whom the manifold
evils resulting from the use are
charged

I have the honor to be,

Sir,

Your Obedient Servant

S. Wells Williams

Recd 28. Oct

Mr. Pratt
acknowledge

No. 61.

Legation of the United States,

Peking, September 1. 1869

Sir,

I have the honor to acknowledge the receipt of your dispatches to Mr. Browne Nos. 37, 38 and 39, dated 15th 20th and 22d of May respectively, inclosing the commissions of Messrs. Johnson and Sheppard, U. S. consuls for the ports of Hankau and Chinkiang.

Your remarks in the first of these dispatches upon the completion of the Pacific Railroad, and the consequent increase of trade between China and the United States, as the facilities afforded by it and the ocean steamers are developed, have all been, in one

Hon'ble Hamilton Fish

Secretary of State.

one form and another, made known to the Chinese officers. The course and length of the road, the details of its construction, the number of their countrymen employed upon it, and the influence it was likely to exert upon their state and nation, have all been illustrated and explained to them; but they are so unacquainted with such enterprises, and so imperfectly understand the reciprocal relations of nations, that all our efforts fail to interest them. All the officers with whom foreigners come in contact are old men, who have lived in or about the capital nearly all their lifetime, and some of them have never been out of this province. Prince Kung himself has never seen a steamer, and his chief advisers have none of them been on board one; and what

is

is true of the Prince and his councillors, is still more applicable to other members of the Imperial Family - the young Emperor, the Empress-regents, and their kindred - and to other high officers in those departments of Government which have no direct intercourse with foreigners. With these we have no communication, and they take no measures to inform themselves directly of our views, or the condition of our countries.

Out of the nine gentlemen who have been connected with the Foreign Office since 1861, of whom four have been in it all the time, only two have ever invited a foreigner to their houses, and no one has ever been a guest at Prince Kung's or any of the Imperial Family. Chiefly through the trammels of official etiquette, but very much too, I think,

from

from hauteur and ignorance, the Manchu princes and noblemen seclude themselves very much from the mass of Chinese who live in the capital, even from those of very high position; and this seclusion would of course be strictly maintained towards foreigners. This class of Chinese consists very largely of aspirants for office from every province who flock to the capital, and of those who have attained their aspirations, and they together form another class of official society, - the élite of Chinese literati, whose tone of thought is adverse to further intercourse with us.

The population of Peking cannot be exactly stated, but I estimate it at between 800.000 and a million people. Of these, the Manchus and their immediate servants constitute rather less than one half, and

the

the Chinese official class about a third of the remainder. The artisans, shopkeepers and laborers are nearly all Chinese; for the vicious system of enrolling all the Manchus in a military organization under banners, and half-supporting them on inadequate pay, fosters a spirit of pride and indolence that prevents all self-independence and progress. The lower classes of these Bannermen show very little antipathy to foreigners, not so much on the whole as the Chinese population, from whom they are further separated by laws tending to maintain their position as a peculiar, privileged class.

From these features of the social characteristics of the capital of China, you can readily infer how unfavorable the whole arrangement of things is for fitting

its

its leading men to worthily govern the great empire under them. The location of the city, more than a hundred miles from the sea and inaccessible by water, does much to disable it from rapidly sympathising with other parts of the country, and exerting a commanding influences upon the provinces; and your remarks justly represent the need of railroads to strengthen this influence. This comparative isolation of Peking reäcts upon the high Chinese officials in it, who, as they gradually rise in dignity and influence, become more and more identified with its community, and seldom return to their native provinces, in which they can hold no important post. They do not keep up with the movements abroad, and are slow to appreciate what may be really feasible, or have that conviction

of

of its advantages that will urge them on in the face of obstacles till it is adopted. Their whole lives having been spent in the routine of official duties, they can hardly be urged by any argument or pressure to leave the beaten track. Though nominally at the head of affairs, the central authorities are rather like super-ordinate advisory bureaus, and have no force at their disposal to compel the provincial officials to carry out orders; summary removal is their last resort in most cases. The reports they receive as to the real state of things do not supply the truth and life which personal observation would give them, but none of them can leave their posts and keep their commissions to make these observations. If this be the case with them in respect to matters in their own country,

how

how much more is it likely to be in regard to foreign kingdoms; and how many more difficulties must appear to them in the way of introducing a railroad or steam machinery, than if they had seen their operation? Yet it is true that where nothing is known, the mind wants to know nothing; and this has been recently illustrated here in the very little interest taken by any body in the gas recently introduced by Mr. Hart into the Customs' Inspectorate. Yet it is also true that the officials have learned much since the foreign Legations came here, but a scantling only of what they ought to know in order to qualify them to act in the new circumstances pressing them on.

In addition to these remarks upon the position and training of the officers with whom we come into contact, as bearing upon the —

introduction

introduction of railroads. There is another - idea gradually appearing as an opposing element, which will require time to show its - unsoundness. This is the fear of the trading classes that the introduction of these novelties will take away the trade from them to transfer it to foreigners, who alone can manage them. This class is more powerful almost than the official, and is made up of separate guilds and associations which overrule the minutest details of trade, and generally thwart whatever they cannot manage. The recent proposition to throw open the whole country to foreign merchants, and let these carry their goods by steam through every river, startled them; - and they have not yet reached that intelligence derived from wide experience, which would enable them to see that they could

easily

easily control the inland traffic. I am of the opinion that the opposition to foreigners going into the interior to reside, which has recently been manifested against missionaries, had its origin and strength very much in this feeling. Very many of the literati and officials are indirectly connected with trade, (for degrees and rank are open in China to all,) and they would side with restrictive measures as the most likely to preserve their rights.

On the other hand this class is the most accessible to foreign ideas, its members are sooner and better able to judge of their merits, and self-interest and rivalry in trade tend to develop new things among them - all of which are interesting and encouraging features. During the last five years, the

tendency

tendency of trade has decidedly been to pass into native hands, and make Hongkong and Shanghai the entrepôts for all imports, from whence native agents could supply themselves for the interior.

These brief observations upon the features of Chinese official education, and its bearing upon the immediate adoption of the measures we urge, may perhaps aid you in understanding the whole case as seen from a native standpoint. The obstacles are not insurmountable by any means, and many of them arise from fears that can be gradually allayed, as well as from ignorance, which has been the misfortune even more than the fault of the officials.

I have the honor to be, Sir,

Your most Obedient Servant

S. Wells Williams

Confidential

Rec 30. Nov. Mr Pratt
Orderwarder

No. 62. – 2 Inclosures

Legation of the United States,
Peking, September 11th 1869.

Sir,

The Austrian Admiral with his suite left Peking on the 6th inst. to rejoin his frigate at Chifu, having three days before signed the treaty negotiated between himself and Tung Siun, on the part of the Emperor of Austria and China respectively, as he has informed me in his note of yesterdays date.

I informed you of the arrival of this mission in my dispatch No. 56 of July 21st, at which time it was expected that the negotiations would probably not detain the Admiral more than a fortnight, as his coming

Hon. Hamilton Fish
Secretary of State.

coming had already been announced to Prince Kung several months. They were, however, prolonged much beyond that period, and their history affords a characteristic chapter in Chinese diplomacy; - one or two of its features may interest you.

When Admiral Pety reached the city, I informed him of my readiness to further his negotiations in whatever way I could; and added that the Secretary of State had written to the Legation, at the instance of Baron Ledeer at Washington, on the 28th of November and 8th of December 1868, desiring that he and his scientific colleague Mr Scherzer, might receive such assistance as could be given. The embassy was lodged at the British Legation whose Chinese Secretary, Mr T. Adkins was its

chief

chief interpreter. The Admiral intimated that he had no intention of demanding any new point from the Chinese Government, and that the draft of his proposed treaty had been made by combining the articles of previous treaties, especially the Belgian and Italian, and not taking any one of them as a groundwork. Owing to this, perhaps, it was, that when the Chinese read it, they objected to some things, and drew up a similar synopsis on their side, leaving out some important privileges, and making some new restrictions. A discussion of these two drafts soon showed the main points of difference between the parties, and after deciding the commercial articles, their debate was narrowed down to the two questions of the appointment

of

of mercantile consuls, and toleration of Christianity.

The first of these points, owing to their official regime is one of considerable importance to the Chinese, more by far than we are inclined to give to it. The admission of merchants as consuls brings the local rulers into contact with a class of people whom they regard, from their very calling, as inferior in social rank to themselves, and when therefore their amour propre is wounded by being obliged to correspond officially on equal terms one day with a merchant, who perhaps the next day is brought up before his own national consul for a violation of the revenue laws, they naturally complain at the arrangement. Consular privileges, they fear, too, may also be used for screening

screening unjustifiable acts, but there has only one case of this kind come before this Legation. Yet it is an irreconcilable solecism to Chinese officials, for a merchant to be invested with consular functions, and a reference to Mr Brown's dispatch N° 21 of June 5th will show you their recent reasoning upon the point.

It may have been that that discussion had freshened the subject, and they were rigid in their objections to allowing Austrian merchants to act as consuls. The question was settled, I believe, by the Admiral agreeing in cases a consular agent was needed at a port to employ the salaried consul of another Treaty Power to exercise his functions, a mode of avoiding the difficulty which

which obviates the objections in the minds of native officers.

The other question has recently assumed much importance, and its possible complications are looming still larger in the view of the Chinese high officers, so that the introduction of the article on the toleration of Christianity as it stands in existing treaties, brought up a strong objection to allowing some of the privileges claimed under those articles. I do not feel at liberty to state all that Mr Scherzer told me of the debate on the article, as the treaty has not been ratified, but it ended by omitting it altogether. One singular proposition of Ting Siun was to regard the Austrian Christians as on the same footing as Chinese Christians, that is,

not

not having extraterritorial privileges; but the anomaly was soon made apparent to him; no Austrian could divest himself of his religion any more than his nationality, and as he already had the right to build churches the right to exercise his religion therein followed of course. The discussions, however, brought out the growing dislike to christianity that seems to be arising in the minds of the official class.

Yet I ought more fully to state one point which no doubt affects the Chinese view of this question. I think that Admiral Pelz first proposed to his Chinese colleague that the exercise of all religions should be tolerated, as the best way of settling the matter, but this wide sweeping toleration was inadmissible. The

word

word kiao, which we render religion, means primarily to teach, and hence a class of people having peculiar tenets of any kind. It thus comes to include all kinds of political, philosophical, or religious communities, one of which the Peh-lien-kiao or White Lily sect, nearly overthrew the dynasty in the last decade of the eighteenth century. This word having so much wider a sense to a Chinese, than religion does to an Englishman, conveys a more complex meaning, and naturally takes its hue from the fears of the speaker; and perhaps much of the dislike to Christianity on the part of the Chinese rulers may be owing to their impression that it is chiefly a political agency. They have some grounds for this fear from the proceedings and assumptions of some of the

Romanists

Roman Catholic missionaries in remote provinces, and knowing nothing of the spiritual nature of true religion, cannot appreciate the distinctions which we draw between outward forms and inner worship. When therefore it was proposed to tolerate all sorts of Kiao, they took the alarm, and regarded the proposition as involving a permission to tolerate adherents of every kind of sedition and heresy.

When these matters had been adjusted and the treaty was drawn up to be signed, the Chinese negotiator declined to affix his name unless the term denoting the Emperor of Austria was changed so as to make it different from that denoting the Emperor of China.

Upon

Upon this point the Admiral was firm, and chose rather to give up the treaty altogether than yield it. In the British and Spanish treaties a term is employed for their sovreigns, denoting a chief ruler because there is no term in Chinese exactly answering to a Queen regnant; and in the United States treaty, the word President is transferred for the same reason; but in the French and Russian treaties, the word used by the Chinese for their Emperor is used. The former cases were quoted by Tsung Sium, and the latter by Admiral Pety. There was a delay of about a week, when the matter was settled by the Chinese yielding. The objection was childish, and I am unable satisfactorily to account for its being brought forward so

late

late, unless it was by the anti-foreign party, whose members have great influence at Court and about the Empress Regents. The Admiral was sustained by all the Ministers, and as I could not see him just before he left, I thought it best to refer to it in my reply, so as to put on record my appreciation of the stand he made.

The scientific corps under Mr Scherzer made some researches in Peking, but the hot season here is unfavorable to travel.

The Austrian Government sent out a large collection of books on various topics, surgery, botany, maps, travels, &c, about fifty volumes in all, which were presented to the Chinese Government for the benefit of its newly organized College. They will be carefully preserved, and I hope

will

will by and by come into use

I have the honor to be,

Sir,

Your Obedient Servant,

S. Wells Williams

Disp. N°. 62
Inclosure 1

Pékin. 3 September 1869

Monsieur le Chargé d'Affaires,

Je m'empresse de Vous informer de la signature du traité qui met fin à la mission dont mon Auguste Souverain a daigné me charger auprès du Gouvernement Chinois

J'ai l'honneur de Vous prévenir en outre, Monsieur le Chargé d'Affaires, que le Gouvernement Impérial et Royal va établir à Shanghai un Consulat Général et qu'il a nommé à ce poste Monsieur Henri Calice, Consul-général de première classe, qui sera appelé à diriger notre service consulaire en Chine, et, en même temps, sera revêtu provisoirement du charactère d'Agent diplomatic, lui donnant la faculté d'entretenir des rapports directs avec les autorités centrales à Pékin.

Je

Monsieur
Monsieur Wells Williams
Chargé d'Affaires des États Unis d'Amérique
Pékin

Je saisis avec empressement cette occasion pour vous offrir, Monsieur le Chargé d'Affaires, les assurances de ma consideration la plus distinguée.

(Signed) Bn de Petz

Contre Amiral

Disp. N.: 62
Inclosure 2

Legation of the United States.
Peking, September 9. 1869.

M. le Ministre,

I have the honor to acknowledge the receipt of Y. E. dispatch of the 3d inst., in which you inform me of the signing of the Treaty between yourself and the Chinese plenipotentiaries on behalf of your respective Governments; and also, that Monsieur Henri Calice is to be appointed Consul-general at Shanghai with diplomatic powers, to direct Consular service in China of His Imperial and Royal Majesty.

Allow me to congratulate you, Sir, on the conclusion of your perplexing and tedious negotiations in connection with this Treaty; and especially, for the maintenance of the equal rank of your August Sovereign with

His Excellency
Baron de Pelz,
Envoy Extraordinary of His Imperial
and Royal Majesty.

with that of the Emperor of China, by obtaining for him the same designation in the Chinese text that was claimed by the Chinese plenipotentiaries for their Sovereign

I avail myself of this opportunity, Monsieur le Ministre, to assure you of my high consideration

S. Wells Williams

Mr. Poate

Rec'd 30. Nov. Acknowledged

No. 63. – 1 Inclosure

Legation of the United States,

Peking, September 30. 1869

Sir,

I have the honor to send you a copy of a Resolution passed by the Chamber of Commerce at Hongkong, – relating to certain addresses presented to Hon. J. Ross Browne at Shanghai, and his reply to them; deeming that it would interest you to learn the views of this influential body of merchants

I have the honor to be, Sir,

Your most Obedient Servant.

S. Wells Williams

Honble Hamilton Fish.

Secretary of State.

Disp. No. 62
Inclosure 1

Copy.

Hongkong General Chamber of Commerce

August 21st 1869

To the Secretary

United States Legation

Peking.

Sir,

I have the honor to transmit to you, by desire of this Chamber, the copy of a resolution forwarded on 19th inst. to the Hon. J Ross Browne, late American Minister to China. The following is the resolution:-

"That this Chamber desires to "express its entire concurrence in the sentiments "embodied in the addresses of the English and "American residents of Shanghai to the "Hon. J. Ross Browne, late American Minister

"to

"to China, on the occasion of his recall, both
"as regards their approval of his action at
"Peking, and their regret at his removal;
"and also its endorsement of Mr Browne's
"clear and forcible exposition of the present
"state of affairs in China, and of his views
"in respect to the Burlingame Mission,
"and the policy which should be pursued
"by the Home Governments in their relations
"with China, as set forth in his reply to
"the said addresses."

I have the honor to be,

Sir,

Your most Obedient Servant,

(signed) W. Keswick

Chairman

Rec 30. Nov acknowledge Mr. Pratt

No. 64. — 3 Inclosures.

Legation of the United States,

Peking, September 30. 1869

Sir,

I have the honor to acknowledge the receipt of two dispatches from the Depart. ment addressed to Mr. Browne, both dated 4th of July, viz. No. 40 relating to the desirableness of promoting the enterprise of the East India Telegraph Company in laying a marine cable along the coast of China; and No. 41 inclosing a correspondence with Mr. Thornton, British Minister at Washington, respecting the — revision of the British Treaty with China, and desiring that this shall Legation afford all the aid in its power. It shall be my earnest desire

Hon. Hamilton Fish,

Secretary of State.

desire to coöperate with Sir Rutherford Alcock in his negotiations upon this revision, as it always has been a pleasure, as soon as they are resumed. At present, there is nothing to add to the dispatch of Mr Browne, No. 42. in relation to this important matter.

The whole subject of Telegraphs in China has been stated in Mr Brownes dispatch No. 43, wherein the nature of the grant reported to have been made by the Chinese Government to this E. I. Telegraph Co. is fully described. Since then the Consuls at Shanghai have had a correspondence with the Local authority, about putting a line to communicate from the Settlement to the Beacon, copies of which are inclosed (A.B.C.) for your information. It is, however, by this slow and persistent application to the Chinese

A.B.C.

that

that advance will be made, tedious and disheartening as the process is; and one victory obtained in this way is worth many got by force.

I have the honor to be,

Sir,

Your most Obedient Servant

S. Wells Williams

Dispatch No. 64.
Inclosure A.

THE KINTOAN BEACON TELEGRAPH.

COPY *of a Joint Dispatch to the Taotai from all the Consuls, dated July 7th* 1869.

THE undersigned foreign Consuls in Shanghai, have received a letter from the Chairman of the Chamber of Commerce as follows:—

"This Chamber is informed by the Commissioner of Customs, that there are materials now at the Custom House sufficient for the construction of a line of telegraph from Shanghai to the Kin-toan Beacon, and that while there would be little difficulty in the working of such a line by the Customs and Harbor Master's departments, those services would be materially aided by it, as affording a means of rapid communication with the Light-house or Light-ship in case of accident, or of their requiring stores or assistance; and for reporting the arrivals and departures of vessels. The general shipping of the port would be equally benefited by these advantages; but the most important use of the telegraph would be to make known wrecks or the grounding of vessels, which the dangers of the entrance to the Yangtsze renders sometimes unavoidable."

"The channel between the Block-house shoal and the South shore is very narrow, and the shoal is rapidly growing, and in thick or even hazy weather it is almost impossible to judge accurately of the distance from either shore; vessels are consequently frequently grounding, causing delay, straining of the ships, and liability to loss by damage of cargoes, and in some intances to total wreck with a sacrifice of life. In these cases, timely assistance would be the means of saving much valuable property, and on some occasions the lives of the crews."

"During the present year tea vessels have grounded in the neighbourhood, in one case four lives were lost."

"It is doubtless needless for the Chamber to enlarge further upon the utility of the establishment of the communication, as its advantages will be fully recognized by the Consular body; but the Chinese authorities may not be alive to them unless the matter is urged upon them in a manner calculated to engage their attention."

The undersigned (Consuls) approve and commend the sense of this letter. Many vessels, both native and foreign frequent this port, the expanse of water at the mouth of the Yangtsze is great. In same places there are shoals, and in other places the channel is narrow and the navigation intricate. It thus happens that some vessels are wrecked, and that others are saved only by great exertions, or the timely arrival of aid. The proposed telegraph would strike the river at a point distant more than forty miles from Shanghai, and where the navigation is peculiarly difficult. At the point proposed, moreover, these already exists a lofty light-house known as the Kintoan Beacon, from which a wide view of the river can be had. By using the telegraph, Shanghai would be brought into instantaneous communication with the Beacon, and beyond doubt much property and many lives would be saved in consequence, for in this way succor would be instantly despatched; while, as matters now are, hours are likely to elapse before news of disaster reaches us. We therefore ask you to co-operate with us in procuring the permission of the government for the erection of such a line of telegraph.

Whether this should be done at the expense of the government or of the foreign community, or conjointly, and the character of the regulations are minor matters, which may be determined after the government has accorded assent in general terms.

You will understand that this proposition should stand or fall on its merits, as all other propositions should. The grant of permission in one case, does not bind the government to give assent in another case.

We have, &c.,

Disp. N°. 64
Inclos. B.

Reply of the Intendant.

The Intendant of Circuit, acknowledges the receipt of a joint dispatch on the 15th instant, from the various foreign Consuls residing at Shanghai, setting forth the representation of the Chamber of Commerce on the necessity and advantages of a telegraph line from Shanghai to the vicinity of the Kin-twan Beacon, &c.

The Intendant finds that in July 1864, Mr Dick, the Commissioner of Customs, recommended laying down a telegraph line from Shanghai to Woosung, and at that time Ting, the present Governor, represented the matter to Li, then acting as Governor, who replied, —

"The application for erecting a telegraph "line is a matter entirely without precedent, "and as it does not find any place in the treaties, "the discussion is not lightly to be entered upon," —wherefore, he ordered that further proceedings in it be arrested.

Afterwards, in July 1865, an English merchant of the Ii-fu hong clandestinely erected telegraph poles at Pu-tung, which were pulled up

up by some persons; and the district magis-
trates of Shanghai and Chuen-sha, having been
ordered to inquire into it, replied, —

"Foreigners daring to erect wooden posts
"in the interior, is injurious to the fung-shui
"and to the agricultural interests of the people,
"and has already resulted in the death of some,
"whose demise cannot be accounted for on
"any other grounds, — and the whole popula-
"tion, rushing on like a flood, appeal to us to
"arrest such proceedings."

Li, the Governor, further replied, that
"The erection of foreign telegraph wires in
"China is a matter attended with great obsta-
"cles to the fung-shui and to agriculture, and
"must lead to great dissatisfaction on the part
"of the people. The foreign Ministers have
"already made application to the Foreign Office
"at Peking for permission to set up telegraphs,
"and have repeatedly been refused, which is
"quite reasonable. This is on record."

The Intendant thus finds that there
is no provision in the treaties for erecting
telegraphs, and it would be very offensive

to

to the feelings of the people. Moreover Chuen-sha lies in the interior and is not a place for foreign commerce, and it could not be peaceably erected there, as the former trials show how the present application would be received. He therefor declines to send up the application, and makes this reply to the Consuls, requesting them to inform the merchants that there is no occasion for a telegraph wire in China.

To the Consuls of the United States, Great Britain, France, Prussia, Sweden, Portugal, Italy, Denmark, Spain, Russia and Holland — eleven states.

Tung-chi, 8th year, 6th moon, 11th day.

(July 19. 1869)

Disp. N° 65
Inclos. C

MINUTES of a Meeting held at Her Majesty's Consulate on the 24th day of July, 1869.

Present.—Consul General for Italy, Consul for Great Britain, Consul General for North Germany, Consul for the Netherlands. Acting Consul General for France, Vice Consul for Spain, U. S. Consul General.

A dispatch from the Municipal Council inclosing memorandum on, and estimates for repairs of outside roads was read. Messrs. Medhurst and Seward from the Consul's Committee having the subject in charge, reported that the information given was insufficient for the purpose for which it had been requested, and that they had asked for additional information, which will be submitted to the Authorities at once, when it is received.

The draft of a letter in response to the Tautai's letter in the matter of the Kintoan telegraph proposition, was agreed on.

(Signed.) L. VIGNALE.
" T. KROES.
" W. H. MEDHURST.
" —ANNECKE.

Pour le Consul General de France, empêché, DILLON.
F. DE SERRA.
Vice Consul de Espagne.
GEO. F. SEWARD.

Shanghai, 24th July, 1869.

His Excellency, TU,
Taotai of Shanghai.

SIR,—The undersigned Consuls have the honor to acknowledge the receipt of your rejoinder, under date the 19th instant, on the subject of a proposed telegraph line between this place and the Kintoan Beacon.

They regret that they cannot express their satisfaction at the nature of the conclusion at which you have arrived.

That the grounds upon which this conclusion are based are of a purely speculative character, has been abundantly proved by actual experience in this very settlement, where, as you are aware, lines of telegraphic wires have for months past run over the heads of Foreigners and Chinese alike, and in many instances are actually attached to their dwelling houses, without having caured any deleterious effect or influence whatever. An objection such as that of "Fëng-shuy" should not at any rate be allowed to have any weight as against a scheme for the protection of life and property, and of important commercial interests, which formed the subject of the representation made to you.

The precedent of Mr. Reynold's case, which you quote in support of your theory as to the objectionable character of telegraphs is moreover so erroneously adduced as to be inapplicable as an argument. It is not the fact that the posts were clandestinely planted. Mr. Reynold's operations were at the time notorious to the general public. He began with the Pootung bank of the river, it is true, but he succeeded in laying the whole line 227 posts, as far as the Beacon, a distance of sixteen miles, and he occupied three weeks in the work. during all which period he encountered no interference nor molestation of any kind either from the people or the Authorities. The posts were eventually removed in one night, but for what reason or at whose instigation has not yet been proved.

The Consuls would prefer accepting the latter part of your letter as affording the truest exposition of the state of the case, and inferring therefrom that your honorable government objects to the indiscriminate introduction of telegraphs just at present, on the grounds of inexpediency.

In this view of the case, whilst regretting their failure to receive your support, they propose to bring the matter to the notice of their several Ministers resident at Peking, and to request them to recommend the adoption of the scheme which they have at heart, as a purely exceptional measure, in the interest of the foreign and native shipping resorting to this port.

With renewed expressions of their consideration, The undersigned have the honor to be.

Your obedient Servants.

Rec. 30. Nov. Admonitor
Mr. Platt

No 65

Legation of the United States.

Peking October 1st 1869

Sir.

At a recent interview with the members of the Foreign Office, I inquired of them when it was probable that the Imperial Government would exchange the ratifications of the treaty negotiated by its envoys in Washington, adding that in consequence of Mr Brown's departure, the commission sent out to empower him to exchange them was void, and I could not do it, unless I received a new commission. Wansiang, who had recently resumed his official duties, after an illness of several weeks, and was present, replied that the Government had deemed it best to defer exchanging the ratifications of this treaty until the return of their Envoys from Europe, and that this was the purport of the reply made to Mr Brown last spring when he informed them

Hon. Hamilton Fish
Secretary of State

them of his appointment as special commissioner for this purpose. It was yet uncertain what arrangements Mr Burlingame might make in Europe with the courts which he was to visit, and until they knew this, they deemed it the safest way to defer the completion of this treaty. There was no intention on their part of any disrespect or slight to the United States in so doing, and no intention to decline the stipulations of a treaty which were favorable to them.

He then went on to inquire how it was that the report had been circulated so widely that the Emperor had refused to ratify this treaty, thereby casting a great reproach upon his Government. Several persons in Peking had inquired of him whether this was true, but had adduced no one's name as their authority for the statement, and he had also seen the same assertion in the newspapers. Such unfounded statements tended very much to excite suspicions and disturb the friendly relations between governments,

and

and he asked whether there was no
punishment for the wrong doers, or any way
of checking such mischiefs.

I told him that I had
never heard Mr Browne make any such
remark, nor had he written to that effect
to his Government, but what he might
have said after he left Peking, and what
others had inferred from it, and published
about the matter I could not say. I myself
had seen no good reason for doubting the
good intentions of his Majesty's Government
in the matter and had so maintained before
others. Still more impossible was it to
restrain newspapers from publishing
what their editors liked, and in America
and England it was found to be the best
way to let them all write what they
pleased, and the truth would finally
be known and ministers conduct
appreciated. In western countries very
little importance was usually attached
to newspaper rumors and he might be
sure that the officers of the American
Government

Government would pay no heed to any reports upon this particular point.

He and Tung Tung Siun Siun, who was sitting near, both seemed to think that they had been somehow misrepresented by Mr Brune, and sent for the copy of Prince Kung's letter of March 12th (See Dispatch N° 30) to prove that he had given no ground to the rumor; and had said nothing subsequently to support it; in which I concurred.

They then went on to inquire what I thought of Mr Burlingame's course abroad, and why it was that the newspapers so universally condemned him; for, so far as they knew, Mr Burlingame had done nothing contrary to the purposes of his mission. I endeavored to explain the disappointment which many persons in western lands had experienced, after hearing the glowing accounts of their envoy, to learn that the mass of Chinese officials and people were not so well informed upon the advantages to be derived from foreign intercourse as their superiors in Peking; whom alone of all Chinese officers he had known

here

here; and that the ignorance of China among people abroad led many to draw inferences from Mr Burlingame's sanguine statements that were quite too favorable. A better acquaintance of each party with the other was now most desirable; and would remove suspicion sooner than any other course.

Wansiang Wansiang then further remarked that the Emperor's Government had sent the mission at the reiterated request of all foreign ministers in Peking, and he was not a little surprised to learn how it had been criticised and blamed. The Chinese Government would not have sent a foreigner at its head, if they had had a native who was experienced and skilled in such a line, and they probably would not find it necessary when they sent another mission, to depend on foreign aid. They had sent this mission to the Treaty Powers with the best intentions, and did not suppose its objects would be misunderstood.

I here endeavored to remove his dissatisfaction by again referring to the reports of newspapers as untrustworthy in

evidence

evidence of the views or acts of Governments; but the impression evidently made upon him by what he had learned from those which had ban translated for him was a bitter one. He had evidently built up hopes upon the results of this costly business which were not likely to be realized, vague hopes they may have been, but not altogether unfounded, of pulling China in amicable relations with other nations. He said that full justice would have been done at the time of the disturbances near Swatow and in Formosa without the intervention of gunboats, if those officers had not been so precipitate; but I think that he rather deceived himself here, for he has never visited those parts of the empire, and has probably received only imperfect and distorted reports of the facts of both cases, and has no just idea of the feelings of the gentry and people thereabouts. However, I give him and his colleagues credit for their intentions, and believe that they would have done much to restrain wrongdoers, as they actually did most thoroughly in 1865 at and

around

around Niuchwang, when Consul Knight was attacked.

Coming as it does just after the discussions respecting the Austrian Treaty, this conversation shows that the foreign relations of the Government are more and more engrossing the thoughts of its highest statesmen, who are endeavoring to learn the intentions of other Powers, and do what they can to preserve their own position. They feel the influence of the age, but their early isolated education and contracted experience painfully show their effects in now preventing them from fully appreciating their rapidly altering position in the present times. They seem to be afraid to trust themselves to any new course, but still show no desire to retrace what they have done. They intend to give such efficiency to the new College that it can gradually furnish them with their own interpreters, and even higher functionaries; even now, they obtain through this channel translations of many articles in the newspapers at Hong Kong and Shanghai, among which are the addresses to

Mr Browne and his recent letter, with other criticisms on their policy and position. All these things must have their effect in gradually opening up new views to them of their dangers, duties, and advantages, with of course many crude notions and incorrect deductions mixed with them, however, tending to prejudice them against new plans, and preventing them from fairly discriminating between what is possible and practical under their present circumstances; and what is desirable, but distant and dubious

I have the honor to be,
Sir,
Your Obedient Servant,
S. Wells Williams

Rec'd 30 Nov Mr Pratt

Peking. October 1869

Hon Hamilton Fish.
Secretary of State.

Sir.

I have the honor to inform you that I have drawn on you for the sum of Fifteen Hundred Dollars in gold, which amount is due me for losses by sale of exchange on my bills on Messrs. Baring Brothers & Co for salary. The bill is drawn in favor of Messrs Olyphant & Co at fifteen days' sight, and please give it due honor on presentation.

I have the honor to be,
Sir.
Your Obedient Servant

S. Wells Williams

Rec'd 30 Nov. Mr Pratt

Legation of the United States
Peking. Oct 2. 1869.

Hon Hamilton Fish
Secretary of State.

Sir.

The inclosed letter for Joseph S. Wilson, Land Commissioner, is sent to the care of the State Department with two books for him, at his request. These books are intended to assist him in his efforts to introduce the tea culture into the United States; and I have placed their cost, Ten Dollars, in the account for Contingent Expenses of this Legation; this sum he should pay to its credit in Washington.

I have the honor to be,
Sir.
Your Obedient Servant
S. Wells Williams

Rec'd Nov.

No. 66 – 8 Inclosures

Ack'd Dec'r

Legation of the United States,

Peking, October 5. 1869.

Sir,

Referring to Mr Seward's dispatch No. 14 of January 9th 1869, addressed to Mr Browne, I have now the honor to report the action which has been taken upon it in reference to the revised Land Regulations of the foreign settlement at Shanghai, and to send for your information the following inclosures:–

A. a letter from E. Cunningham on behalf of the Municipal Council, urging

Hon. Hamilton Fish,

Secretary of State.

urging the immediate promulgation and adoption of the revised Land Regulations in order to strengthen its authority in governing the Settlement.

A memorial signed by the leading Firms at Shanghai advising this measure without longer waiting for the consent of the French authorities.

My letter to Sir R. Alcock K.C.B. asking his concurrence in this measure, and his reply.

Proposed agreement based on this request

Joint Minute signed by the Ministers at Peking, provisionally agreeing to the reciprocal acceptance of the revised Land Regulations of 1866 and the Réglements de l'organization.

Letter

Letter to Dr. B. Jenkins

Translation of a dispatch from M. Drouyn de L'huys, to M. de Bellonet upon the principles adopted by the French Government in relation to their consular jurisdiction at Shanghai.

A perusal of these papers will give you the chief facts of the case, and will explain the reasons which led me to join my colleagues in adopting the joint minute. In this connection, it will be desirable to refer to three dispatches upon the same subject, Nos 194, 216, and 219, from Mr Seward to Mr. Burlingame, dated in March, September and October 1867, in which will be found further remarks respecting the character of the French Réglements and the objections taken to them.

In

In his last dispatch to you, No. 55, of July 15. 1869. Mr Browne, when forwarding a letter from Consul-general Seward upon this subject, requested, "That the [United States'] Government "should approve the proposed revised "Land Regulations, that it should refrain "from approving the French Réglements, "and that the French Government should "be requested to review its position "touching municipal regulations at "Shanghai;" and proposed that no decisive step should be taken in accepting them till Mr. Geo. F. Seward's arrival in the United States. This dispatch, and a subsequent one to me from Mr. Seward dated Aug. 24th, inclosing the merchants' memorial and Mr. Cunningham's letter

(Incs. A.B.)

(Inclosures A.B.) are to the same purport.

In his, Mr Seward says, "As I have here-
"tofore represented, the successful working
"of the French Settlement is largely de-
"pendant on the goodwill of persons not
"French; American and British interests
"there vastly preponderate over French.
"The French are likely, therefore, to see
"that their people, very few in number
"in the Cosmopolitan Settlement conform
"to our rules, for their failure to do so
"would at once operate to the injury of
"the French régime."

I should not wish, however, to see this issue put to the test, and it is one that appears to me to contain the germ of subsequent difficulties; and its tendency, too, to bring about collision

has

has hardly been sufficiently considered; if carried to actual resistance, the peaceable working of the contiguous municipalities would be impossible, – a result that every one would view as deplorable. This, however, is a contingency that is future, while the need of putting the revised Land Regulations into operations is too pressing to hang upon it, or admit of delay to arrange it; while it cannot be done without the consent of, at least, the three leading nationalities living on the north side, viz. British, American and German. Earnestly desirous of carrying out the proposition of the Memorial, I drew up the letter (Inc. C.) which was circulated among all the Legations, urging the independent recognition of the revised

code

code upon its own merits. The answer of the British Minister (Inc. D.) gives his view of the instructions he had received. Baron de Rehfues replied, when returning the draft which, as our doyen, he had circulated,

"Quant à moi, Vous savez que je suis "lié, aussi que le Ministre de Grande Bretagne, "par une instruction précise, qui fait dé- "pendre l'approbation des revised land "regulations de la réciprocité des États "Unis vis-à-vis de la concession Française. "Je ne puis donc rien faire dans le moment, "ayant demandé de nouvelles instructions "à Berlin. Mais je suis prêt à une - "arrangement provisoir si tous les collegues "y prennant part."

The Russian Chargé d'Affaires said,

"Je crois de mon devoir de vous - "informer

"informer qu'étant autorisé à donner mon
"adhesion à ces Réglements, tant pour la
"Concession Française, que pour celle au
"nord du Yang-king-pang, je suis prêt à
"joindre les Représentants des autres Puis-
"sances dans toute action commune qui
"aurait pour bût l'adoption generale des
"Réglements."

The position of the French Chargé d'affaires was of course well marked with the same limits, and there was no prospect of any of them receiving other instructions. Mine were contained in Mr. Seward's dispatch of Jan. 9.th 1869, in which, after mentioning the conference held in Washington between himself, Sir Frederic Bruce, M. Berthemy, and Baron Gerolt, the results of which were made

known

known to the British. French and Russian Governments, he goes on to say.

"It is quite apparent that some such "system as is proposed in those regulations "is indispensable. It is believed that "those which are thus proposed are not "open to grave objections. It is further "considered that the question cannot "wisely be kept open with the expecta- "tion of obtaining a more satisfactory "code. You will therefore give the consent "and approbation of this Government to "the revised Land Regulations beforemen- "tioned for the foreign settlement at "Shanghai"

This is explicit about acknowledging the revised Land Regulations for the northern settlement, but it hardly gives

such

such definite instructions as I should have liked about the French Réglements. However, that code was before the Secretary when he wrote, and a modification of one objectionable article in it had been accepted by the French Government at the request of the other Powers. Though he does not make its approval contingent on a reciprocal acknowledgment of the French authorities, this stipulation was apparently involved, in my opinion, by the acceptance of the alteration in the objectionable article.

In order to bring the matter to a point, I drew up a minute (Inc. E.) in which the independent approval of the Land Regulations was to be made previous to the reciprocal approval of the Réglements,

but

but Sir nowayes to prevent it; but none was willing to sign it except Sir Rutherford Alcock, who sent me a note, saying,

"The provisional arrangement "therein contemplated appears, under "existing circumstances, to be the only "means left for averting what would prove "a great calamity to the settlements on "both sides of the Yang-king-pang - the "dissolution of all civil government - a "calamity so great and probably irremedi- "able that I conceive it our bounden "duty individually and collectively to "prevent it by every means in our "power."

There was thus a complete deadlock; and a repetusal of Mr Cunningham's letter indicated just this alternative - either to

approve

approve what I did not like, or continue my declinature of the Réglements at the risk of such a weakening of all municipal authority in the whole foreign Settlement that it might not much longer be able to be carried on at all. To avoid such a result, I drew up the joint minute (Inc. E.) which was signed by all; and now submit it, with these explanations, for your consideration. Under the peculiar circumstances, I think the provisional acceptance of both codes was the only solution of the dilemma in which we were placed. The matter is now transferred to the decision of the Governments represented by the signers, and everything of importance that can be said upon the question is

before

before you. I believe the general opinion of the foreigners at Shanghai is strongly in favor of a fusion of the two municipalities, and the same opinion has been expressed by the French Minister.

In addition to the papers bearing upon the French policy, I send you (Inclo. H) a translation made by me of a dispatch from M. Drouyn d'Lhuys upon the character of the proposed French government at Shanghai, the original of which was kindly furnished me by Sir R. Alcock, though it is not improbable that you may have a copy. Within a small area, the two municipalities at Shanghai are endeavoring to carry out the different principles exhibited by the two nations on different sides of the English Channel — a repre-

sentative

sentative and a centralized Government, — but the French experiment would be — more decisive, if its prosperity and personnel were not so closely dependant upon other nationalities living within that settlement.

I have the honor to be,

Sir,

Your Obedient Servant,

S. Wells Williams

Rec 30. Nov

Dispatch N: 66
Inclosure G.

Legation of the United States,
Peking, 27th Septem 1869

Sir,

I have received two dispatches from Mr Seward (Nos 186 and 191), dated 27th July and 24th August, with inclosures, relating to the immediate promulgation of the code of revised Land Regulations for the foreign settlement of Shanghai. One of the inclosures is a letter from the Chairman of the Municipal Council, showing the imminent risks impending over the Settlement unless they are soon put in force; and another is a memorial signed by most of the leading Firms in Shanghai, urging that this be done even without the consent of the French Authorities.

These

Dr. B. Jenkins,
Acting U. S. Consul. general
Shanghai

These papers have been carefully considered in view of carrying out the wishes of the Municipal Council, and bringing the revised Land Regulations into immediate operation to save the affairs of the cosmopolitan settlement from the disastrous effects likely to ensue if something be not done to strengthen their authority. I fully agree with the remarks in the pamphlet inclosed with Mr. Cunningham's letter, upon the character of the administration of the French settlement, and the difficulty of harmonizing two codes of municipal regulations based on such opposing principles, and carried out in practice in two conterminous settlements. The results upon the prosperity of the communities residing on the two sides of the Yang-king-pang, arising from working their different organizations cannot fail to be instructive.

But the pressing question now is how to bring the two settlements into

into relations so that they can act harmoniously on their separate bases, and prevent any conflict of powers or rights within the limits they now occupy, or the duties they have taken upon themselves. Nearly four years ago the desirableness of revising the existing municipal regulations was mooted; and three years and a half have gone by waiting for the adoption of this improved code by the Treaty Powers, so that it is imperative to do something speedily in order not to prolong the evils now felt, and to prevent the worse ones shadowed forth in W. Cunningham's letter. However, to bring about the acceptance of the revised Regulations of March 1866, — without waiting longer for the concurrence of the French authorities, could only be done by obtaining the consent of all the other Treaty Powers. I suppose that the delay already experienced has been owing very much to the dislike of the Réglements by ourselves, — a feeling

shared

shared by many persons of other nationalities; but the Municipality on the south side of the Creek is now, and is likely to be long carried on under that code. No outside Power is at present disposed, if able, to assimilate it to the code in force on the north side, and this state of things must be considered with reference to its practical working with the other.

In view, therefore, of all the facts and arguments of the case, and ascertaining from my colleagues that everything was ready for general acceptance, if we could agree among ourselves as to some plan of procedure, I have signed the inclosed Joint Minute, which you will accordingly regard as your instructions in reference to this matter, and coöperate with your colleagues in carrying it into effect, so that the revised Land Regulations shall go into operation by the first of November next.

I brought forward the arguments in favor of accepting them irrespective

of

of the French authorities, but found that the other Ministers were bound by strict instructions to accept the Réglements as soon as the former accepted the other code; even if they personally approved of such a proposal, and agreed with the sentiments of the merchants' Memorial, they could not act upon their own views. On the other hand, I had no special instructions not to accept the Réglements, and the directions from the State Department were written with a full knowledge of their existence. The arguments which were brought forward are concisely stated in my note to Sir R. Alcock and his reply now inclosed, from which you will see the position of the whole question, and the deadlock that would certainly arise unless some means were taken to harmonize the matter. I was convinced that a provisional reciprocal acceptance of the two codes was the only way to settle the question, and avoid worse results.

I

I may here observe, that it seems to me, on reading the Memorial, that the signers have not duly reflected upon the bearing of the incident mentioned in the letter from the Chairman of their Municipal Council, when they say in its preface, that "they think that "the Regulations could be very well worked "without the assent of the French au- "thorities;" for if, as he there states, one consul could so nearly jeopard the existence of the Municipal organization by opposing the collection of the wharfage dues, it would not be very difficult for a few Frenchmen residing within the cosmopolitan settlement, backed by countrymen near at hand, to bring the whole machinery to a standstill by resisting its peaceable action. If one of a dozen supposable contingencies should arise, involving the property, lives, honor, or rights of these French subjects or protegés, the French consular authorities would no doubt take

cognizance

cognizance of it, and without reference to the existing code in force there, seeing that they had never accepted it, and in a way that might convulse the whole community. It is impossible not to forecast such possibilities, improbable as they now appear, when called upon to consider so important a step as longer refusing to agree to the Reglements. The interests involved affect too many persons and too much property, and are likely to extend their relations wider and deeper in coming years, in a port that is to exercise so commanding an influence as Shanghai, not to make one desicions to do what is practicable at this juncture. It seems to me, too, that their coördinate working will, in time, bring out whatever is best in the practical effects of each, and gradually influence the other to eliminate whatever is detrimental or difficult in working its own arrangements.

In regard to the amendments offered at the recent meeting of the land

renters

renters, which are printed in red ink and affixed to the original copy of the revision, I fully agree with the opinion expressed at the meeting of consuls July 13th 1869, that it will be best to await the promulgation of the revised Regulations of 1866, and then introduce the amendments under the operation of Art. XXVIII. This is just now the more desirable, inasmuch as the XXVIIth article, one of the most important, relating to the organization of a tribunal for sueing the Municipal Council, has not been decided upon by the consuls, but has rather vaguely left by them, at their meeting on July 16th, to the determination of the Ministers. It is not very plain to me, from the papers in hand, where the power to carry out the decision, if against the Council, exists. Will the latter place its own police at the disposal of a plaintiff to seize its own property? If the case be brought into Her Majesty's Supreme Court, as proposed in the land-

renters'

renters' amendment, that tribunal has power to enforce its decision; but there is the solecism of an extension of its power by external action beyond its original institution. I prefer the suggestion of a court made up of Treaty consuls, but instead of electing three for the term of a year to sit as a Court, I would suggest that the Consul of the plaintiff be always the chief judge, and that this latter consul choose two other Treaty Consuls to sit with him as assessors; their unanimous decision to be final, but an appeal to the Minister or Government of the plaintiff to hold when they differ. There are some objections to each of the proposed plans, no doubt, but this is rather an argument to select the best, and let it go into operation. I suppose that cases will not often arise which the Council and the plaintiff's counsel cannot settle, but at any rate cheapness for the plaintiff is one point to be considered, and a court of three consuls could soon decide

a

a case. The objection against Mr. Seward's proposal of July 16th 1866, is, that the Municipal Council, consisting of picked men from the whole community, would not, I think, deem it to be exactly equitable to give so much power into the hand of a single consul of any Government to adjudicate a cause that might drag its slow length along for years, much to its annoyance and expense.

However this may be, I wish you would furnish me with some of the arguments upon the various proposals made for the construction of this Court; and perhaps, you, in conjunction with your colleagues, could agree upon the one deemed to be least objectionable. The British and Prussian Ministers have expressed much the same views, and they both regard the court of Consuls favorably. When this article has been agreed upon by the Consuls, it and all the other amendments will, I doubt not, be approved

at

at Peking, and the administration of the cosmopolitan settlement brought into complete working.

I am, Sir,

Respectfully,

Your Obedient Servant,

S. Wells Williams

Dispatch No: 66
Inclosure A.

Council Room
Shanghai 9th August 1869

Sir:

I take the liberty of enclosing to you a pamphlet which has been circulated in the Community and to which is appended the expression of opinion of a very influential portion of the Residents that no further delay should take place in the establishment of the Revised Land Regulations in the Cosmopolitan Settlement.

It is almost needless to say that this opinion is heartily endorsed by the Municipal Council.

Owing to some recent decisions in the English Supreme Court, the enforcement of the taxes imposed by the majority of the Land Renters is becoming more difficult every day, and the prospect now is that unless speedy relief comes through the establishment

Not copied

of the new regulations the whole system will fall to the ground.

It is not only almost certain that no members of the Community will be found willing to serve on the new Council at the annual election in March next, but there is a strong possibility that the present Council may find itself obliged to resign at an early period

The Councillors are elected under the simple proposition that they are expected to administer the revenue of the Settlement, which revenue will be paid by the Rudesdorf basis fixed by themselves

They accept office reluctantly even with these restricted duties to perform, all of them having private affairs which are sufficient in themselves to absorb their time and attention

If they find that in addition to the responsibilities which they undertook, they are called upon to spend their time in soliciting and persuading their fellow members to pay their just dues, and finally to collect

outer Court and sue when all other means fail, and that this soliciting and suing is to extend to the collecting of the larger part of the revenue their duty to the private interests in their charge would oblige them to withdraw from a position which proves to be burdened with obligations which they never undertook.

Should such results come to pass, it is apparent that the state of public affairs in the Settlement would be very unfortunate. It might even happen that an interregnum would occur during which all Municipal Government would be at an end.

There seems to be great confusion in the minds of all persons as to their responsibility in the whole matter of Municipal arrangements; a confusion extending even to the Consular Corps. On the approval by the collective Consuls of the resolutions at the last Land Renters Meeting, one Consul approved "excepting only the wharfage dues" which is one of the most important and the least questioned of all the dues of the settlement. In so far

far as lay in his power he would have defeated one of the principal measures of the meeting though a Consul without a constituent engaged in trade in the settlement

On all sides there is pressing evidence that a clear and positive code of Municipal Law must be at once provided, or affairs will fall into utter confusion.

The Council therefore venture to press upon your attention the imperious necessity of very prompt and decided action in establishing the revised regulations

I have the honor to be
Your most obedient servant
(Signed) Edward Cunningham
Chairman Municipal Council

Geo F. Seward Esq
United States Consul General

Dispatch 66
Inclosure B.

REMARKS

ON THE

FRENCH MUNICIPAL REGULATIONS

OF

SHANGHAI.

REMARKS

ON THE

FRENCH MUNICIPAL REGULATIONS

OF

SHANGHAI.

THE French authorities, having indicated that they will not join in a formal promulgation of the Revised Land Regulations, until all other states concerned accept the regulations set up by the French government for the so called French concession, the moment is an appropriate one to consider whether the members of the commercial community at this port should not urge on the ministers the propriety of asking the several governments to invite the French to lay aside their assumptions, and to take up their former position in the cosmopolitan control of the police and other municipal institutions of the place.

I.

A review is necessary of the conditions under which both sets of land regulations have come into existence.

Regulations of some sort were required, because those of the country could not be applied to foreigners, who by treaty agreement remain under the control of their own authorities. On the other hand, the indifference of the Chinese to such matters rendered it at once a necessity for foreigners themselves to make roads and landing places, to light, cleanse and drain their settlement, to establish a police, and to raise a revenue for those objects by an equitable assessment.

The first step was as follows:—In 1845, just after the port was opened, the local Chinese officer for foreign affairs and the British consul, then the only regularly constituted foreign consul here, together surveyed and set off, for the use of British residents, the plot of ground between the Yang-king-pang and the Soochow creek, and agreed upon certain rules which should be enforced upon all foreigners living within these limits. Two of these rules, viz:—XIV and XXIII, gave the British consul authority over the residents of other nations to the extent of obliging them to apply to him if they wanted land, and to submit to his jurisdiction in cases of dispute coming under the regulations.

At that time the ground now occupied by the French settlement and extending a third of a mile from the Yang-king-pang to the city walls, was a densely populated Chinese suburb, the centre of the Chinese trade, and therefore the plot of ground, nearly three fourths of a mile wide, thus appropriated by the British consul included *all* the desirable land then available for foreign mercantile houses. Beyond the Soochow creek, a wide stream, the locality is too distant for business establishments.

The residents of other nations therefore were compelled to take ground within the so called English concession, but, relying on the rights secured to them by treaties which in positive terms allow them to rent land directly from Chinese owners without intervention or restriction, and also place them under the authority of their own national representatives for *all* disputes or offences, they refused to acknowledge the pretensions of the English consul under this local arrangement.

In consequence, the English authorities after a few years, abandoned these pretensions unreservedly, as injudicious in themselves, and as so contrary to the words as well as the spirit of the treaties that they could not be enforced.

In 1849 however, before this was definitely settled, the French consul M. de Montigny obtained from the Chinese local officer a similar concession, with the objectionable clauses in the same words, of the land between the Yang-king-pang and the city walls, containing on the river bank the busy Chinese suburb already mentioned. Neither the English nor the French grant gave the consul any power over Chinese subjects.

He proceeded immediately to exercise his newly acquired powers, but within a few weeks the inutility of the grant was proved by the successful resistance of an American, who had purchased land in the rear, and who, by the aid of his consul, forced the Tautai to issue his title deeds through the American consulate.

The English settlement increased in importance, the French remaining undeveloped, chiefly because the eligible portion—the river bank—was occupied by the Chinese suburb, and the land was thus too costly for foreign purchase.

By 1854 the interests involved in the maintenance of good order were so great and the municipal arrangements so insufficient, that need arose for more perfect regulations, and all the consuls of that day, including the English and the French, joined in a comprehensive scheme, the representatives of those two great powers abandoning entirely and without reservations, all their previous pretensions to any exclusive rights or jurisdiction over any portion of the two plots in question.

Upon the so called English ground we are to-day administering our municipal government under that scheme.

The experience of fifteen years, however, has developed defects which have led to a revision, and the Revised Land Regulations now under consideration are the result of the action of the community in this direction. People of all nationalities were invited to join in the revision, and to all governments interested, including the French, the revised code has been referred for approval and acceptance.

II.

But a change has meantime taken place in the French plot.

In the civil war the suburb on the river bank was destroyed by fire, and by various measures, the French authorities caused the whole of the river bank to pass into foreign ownership. As the frontage here has the deepest water of the whole foreign settlement and is also the nearest to the native city, it is in natural advantages the choice locality of the place, and the French naturally expected it would immediately rival its neighbour across the Yang-king-pang.

In 1862, which was soon after the last appropriation of the river bank, greatly extending the area of French ground, the French consul established a separate council, and thenceforward, reverting to the original design, abandoned in 1854, they have persistently attempted to enforce French control within the so-called French limits.

In 1866 the present French regulations were issued, which definitely put all municipal affairs, whether affecting foreigners or Chinese, under French control, setting aside both the rights of the Chinese emperor over his subjects, and those of other residents under their respective treaties.

These regulations and a translation will be found printed in the appendix. It will be observed that though a council is allowed, all real power is in the hands of the French consul-general, who is only responsible to his superiors. The regulations are established by virtue of the will of the French emperor. There is no reference to the Chinese authorities. They are put out of question, as are the representatives of the several western powers concerned.

In the appendix are also:—

A translation of the original document from the Chinese to M. de Montigny in 1849;
The articles XIV and XXIII from the original English land regulations, referred to herein;
Extracts from the regulations of 1854;
The articles from the earlier treaties relative to hiring and purchasing land, which show clearly that there can be no restrictions as to the quarter in which any foreigner may rent or buy houses or lands.

III.

Invitations to take part in the control of the general municipality, have consistently and continuously been extended to the successive French consuls.

As in the revision of the regulations of the cosmopolitan settlement, the consent of all governments having subjects or citizens resident therein was desirable, that of the French was requested in common with the others, *the rights secured by said regulations to French subjects and French authorities being identical with those secured to all other nationalities.*

It has up to this time, as we have seen, been refused unless all other governments will approve of the French regulations, which expressly *take from those governments and their nationals, a portion of their treaty rights, and give French authorities exclusive privileges not asked for by any other foreign nation!*

As an abstract question of right, the position that all the available ground for foreign residences at the very centre of foreign trade may be taken up and appropriated by two or three individual powers, will not bear a moment's consideration. For it can only be done in the face of the treaties, signed by them as well as by the others, which give equal rights to all.

Nor can the practice be followed to its logical consequences.

The French, with at the most five or six commercial houses, take half of all the ground convenient for commercial purposes. Even putting aside the English and Americans as already suited, there are still North-Germany, Russia, Austria and Italy, all first class powers and all jealous of their national position and rights. What are they to do if there is to be a scramble for a foot-hold of soil?

Also what becomes of the Chinese emperor's authority at the numerous points where foreigners will be established ultimately, if the country about each city is to be parceled out among these various nationalities, each with three or four European residents, and forty or fifty thousand Chinese, after the manner of this French example?

The more one considers the subject, the more glaring seem both the injustice and the impolicy of such appropriations of territory.

IV.

Having thus set forth the course of events from the beginning, and the moral aspect of the case, it will be well to look at the material results following in the one case, the exclusive, and in the other, the liberal policy.

On the French side, at the expense of the community, a magnificent quay has been made, extending from the Yang-king-pang to the creek at the angle of the city wall, and thence on a narrower scale to the Little East Gate creek, the boundary of the concession, each section being about one third of a mile. This quarter was for centuries and until its occupation by the French, the principal seat of the Chinese trade, and it now abuts upon the suburb to which that trade has been transferred.

In all respects, the first portion, which in direction is a continuation of the line of front of the cosmopolitan settlement below, is second to none as a choice locality for foreign houses.

Excluding the handsome French consulate, there are seven commercial houses, two ranges of godowns, a drinking saloon, a provision or compradore's shop, a seaman's tavern, the hospital and finally a row of ordinary Chinese houses.

Beyond the little creek, with the exception of the extensive godowns and wharves of the Shanghai Steam Navigation Company, whose managers reside in the cosmopolitan settlement, the entire front is occupied by Chinese, who rent of foreign owners, but have not the smallest interest or concern in the French trade.

Going back from this mask of houses on the river line, there is no improvement in the rear. A single square and one comes to Chinese houses, the occupants of which, like those on the upper portion of the front, have no connection with French trade. With the exception indeed of five or six French firms, as many of other nationalities, a few drinking saloons and shops, there is no foreign population.

Turning to the English settlement, so called, we have on the same line, a complete frontage of fine buildings, nearly all owned and occupied by private firms engaged in general commerce. But even this display, striking though it is, fills but a small part in the contrast. For, behind this frontage, the settlement extends in squares of foreign houses one half of a mile back, many of the most important firms and banks in the place having their premises on the streets in the rear.

This difference between the two municipalities is of course partly owing to the greater length of time that the English settlement has been occupied and to other extraneous causes, but it is safe to say that, had the French ground been under the cosmopolitan regulations that prevail in the other, their front would at this moment bear the same aspect as the English front, while the rear would be largely occupied by firms engaged in the main branches of the trade of the port.

It is not Shanghai only, however, that teaches the lesson that exclusive grants are fatal to real prosperity.

At Hankow, Kiukiang, Tien-tsin, and Shameen at Canton, the English authorities under the idea of a certain convenience in administration, but on a much sounder basis of right—that of actual purchase of the whole ground by the government, and sub-leases—began with concessions on the plan of exclusive jurisdiction. They have abandoned the principle in all those places and now invite all nationalities to take ground on equal terms.

V.

It cannot be urged by the French that their commercial interests justify the position which they have taken. England, with really vast interests, and America and North Germany are content with general regulations. And indeed the greater French commercial establishments are situated in the general settlement.

Nor can it be urged that political considerations require a continuance of their assumption. France has no need anywhere of resorting to doubtful shifts to support her authority and prestige. She can gain nothing by an irregular attempt to govern a little colony of 50,000 Chinese and a hundred or two Europeans, unwilling as they are and bound to her by no natural allegiance.

In short, justice and expediency combine to require that the French should abandon a position founded doubtless on a misapprehension, injurious to the present, and full of complications for the future.

SHANGHAI, *July 5th*, 1869.

APPENDIX.

Réglement d'organisation Municipale de la Concession Française.

Nous Consul Général de France à Shanghaï,

En vertu des instructions que nous avons reçues de S. E. M. le Ministre des affaires étrangères de S. M. l'Empereur des Français, publions les dispositions suivantes qui remplaceront a partir de ce jour celles du réglement d'organisation Municipale de la Concession Française de Shanghaï que nous avons publié le 11 Juillet 1866.

Regulations for Municipal organization of the French Concession.

We, Consul General for France at Shanghai, in virtue of instructions received from His Excellency the Minister of Foreign Affairs for His Majesty the Emperor of the French, publish the following rules which will from this date replace the provisions of the Municipal Regulations of the French Concession at Shanghai promulgated by us on the 11th July, 1866.

ARTICLE I.

Le Corps Municipal de la Concession Française à Shanghaï se compose du Consul Général de France à Shanghaï et de huit Conseillers Municipaux dont quatre Français et quatre étrangers désignés les uns et les autres par la voie de l'élection.

Les Conseillers Municipaux sont nommés pour deux ans; ils sont renouvelés par moitié tous les ans;

Les Conseillers décédés ou démissionnaires sont remplacés en même temps que les Conseillers sortants.

Toutefois lorsque le nombre des Conseillers Municipaux se trouvera réduit de plus de moitié il sera immédiatement procédé au remplacement des Conseillers décédés ou démissionnaires.

The Municipal Body of the French Concession at Shanghai is composed of the Consul General for France at Shanghai and of eight Municipal Councillors, four of them French and four foreigners, all appointed by election.

The Municipal Councillors, are nominated for two years; half of the number retire each year.

Those Councillors who have died or who have resigned are replaced at the same time as the retiring Councillors.

Nevertheless whenever it shall be found that the number of Municipal Councillors has been reduced by one half, steps shall be immediately taken to replace the vacancies by death or resignation.

ARTICLE II.

Sont électeurs tout Français et tout étranger agé de vingt et un ans remplissant l'un des trois conditions suivantes:

1° Possédant en vertu d'un titre de propriété régulier un terrain situé dans les limites de la Concession.

2° Occupant sur la Concession tout ou partie d'un immeuble à titre de locataire payant un loyer annuel de mille francs au moins.

3° Demeurant sur la Concession depuis plus de trois mois et pouvant justifier d'un revenu annuel de quatre mille francs.

Every Frenchman and every foreigner is an elector who is twenty-one years of age and who fulfills one of the following qualifications:—

1st. Owning in virtue of a regular title deed land within the limits of the Concession.

2nd. Occupying as renter the whole or a part of an estate on the Concession and paying an annual rental of at least one thousand francs.

3rd. Residing on the Concession for more than three months, and being able to prove an annual income of four thousand francs.

ARTICLE III.

Le Consul Général dresse la liste électorale, la révise tous les ans et convoque l'assemblée des électeurs.

Les opérations électorales sont vérifiées par le Conseil Municipal.

The Consul General draws up the list of electors, revises it every year, and calls the meetings of electors.

The results of the elections are verified by the Municipal Council.

ARTICLE IV.

Tout électeur agé de vingt cinq ans est éligible.

Les Conseillers Municipaux sortants peuvent être réelus.

Every elector of the age of twenty-five years is eligible.

Retiring Municipal Councillors can be re-elected.

ARTICLE V.

Le scrutin est secret.

Le vote a lieu par scrutin de liste. Chaque liste doit comprendre un nombre égal de résidents Français et de résidents étrangers.

Les candidats qui parmi les résidents Français ont réuni le plus de voix font partie du Conseil Municipal. Il en est de même des candidats qui parmi les résidents d'autres nationalités ont obtenu le plus grand nombre des suffrages.

Un ou plusieurs notables Chinois ou chefs de corporations designés par le Consul Général de concert avec le Taotaï pourront, si le Conseil le juge à propos, être admis aux séances avec voix consultative.

Voting is by ballot.

The vote is cast for a list of persons. Each list must comprise an equal number of resident Frenchmen and of resident foreigners.

The candidates who, among the resident Frenchmen have received the greatest number of votes, form part of the Municipal Council. In the same manner those among the residents of other nationalities for whom the greatest number of votes has been cast.

One or more Chinese of good repute, or chiefs of guilds, named by the Consul General in concert with the Taotai, may, if the Council deems proper, be admitted to its meetings with a voice in the deliberations but without a vote.

ARTICLE VI.

Le Conseil ne se réunit que lorsqu'il est convoqué par le Consul Général.

Il doit l'être toutes les fois que la moitié de ses membres en fait la demande par écrit.

Le Consul Général peut le convoquer aussi souvent qu'il le juge nécessaire.

The Council can only meet when convened by the Consul General.

It must be convened on requisition of one half of the members made in writing.

The Consul General can convene it as often as he deems necessary.

ARTICLE VII.

La présidence du Conseil appartient de droit au Consul Général.

Le bureau se compose en outre d'un Vice-président et d'un Trésorier que le Conseil choisit chaque année parmi ses membres.

Les délibérations sont prises à la majorité des voix. En cas de partage la voix du Président est prépondérante.

The presidency of the Council belongs of right to the Consul General.

The additional officers are a Vice-President and a Treasurer, whom the Council chooses each year from among its members.

A majority of votes decides. In case of a tie, the President has a casting vote.

ARTICLE VIII.

Le Consul Général a le droit de suspendre le Conseil Municipal sauf à rendre immédiatement compte de sa décision à S. E. M. le Ministre des affaires étrangères, ainsi qu'au représentant de la France à Pékin, qui pourra, s'il le juge nécessaire, prononcer sous la réserve de l'approbation du gouvernement de l'Empereur la dissolution de cette assemblée.

La durée de la suspension ne peut excéder trois mois. En cas de dissolution l'assemblée électorale doit être convoqué dans les six mois à partir du jour ou le Conseil a cessé d'exercer ses fonctions. Le Conseil Municipal est remplacé dans l'interval par une commission provisoire que le Consul Général nomme d'urgence.

The Consul General has the right to suspend the Municipal Council, but he must at once report his decision to His Excellency the Minister for Foreign Affairs, as well as to the Representative of France at Peking, who will have power, if he deems necessary, to decree the dissolution of this body, subject to approval of the Government of the Emperor.

The suspension cannot last longer than three months. In case of dissolution, a meeting of electors must be called within six months from the date when the Council ceased to exercise its functions. The Municipal Council is replaced meanwhile by a provisional Committee appointed in case of need by the Consul General.

ARTICLE IX.

Le Conseil Municipal délibère sur les objets suivants:

1° Le budget des recettes et des dépenses Municipales.
2° Les tarifs de perception des revenus Municipaux.
3° La répartition des taxes entre les contribuables.
4° Les demandes en décharge ou en réduction d'impôts.
5° Le mode de recouvrement de l'impôt.
6° Les acquisitions, aliénations, échanges et locations de propriétés Municipales.
7° L'ouverture des rues et des places publiques, les projets de construction de quais, jetées, ponts, canaux, les projets d'alignement, l'emplacement des halles, marchés, abattoirs, cimetières.
8° Les travaux d'assainissement et de viabilité.
9° Les expropriations pour cause d'utilité publique.
10° Les réglements de voirie et de salubrité.
11° Tous les autres objets sur lesquels le Consul Général appelle le Conseil à déliberer.

The Municipal Council deliberates on the following subjects.

1st. The Budget of Municipal Income and Expenditure.
2nd. The tariff for the collection of the Municipal revenue.
3rd. The division of the taxes among the contributors.
4th. Claims for exemption or reduction of imposts.
5th. The mode of collecting taxes.
6th. The purchase, sale, exchange and renting of Municipal property.
7th. The opening of streets and public places, plans for the construction of quays, jetties, bridges, canals, plans of alignment, establishment of principal and subsidiary markets, slaughterhouses and cemeteries.
8th. Works for improving and securing the health of the place.
9th. The appropriation of private landed property for public purposes.
10th. Regulations for the public ways and sanitary measures.
11th. All other subjects on which the Consul General invites the Council to deliberate.

ARTICLE X.

Les délibérations du Conseil Municipal ne seront exécutoires qu'en vertu d'un arrêté du Consul Général.

Le Consul Général doit rendre exécutoire dans le délai de huit jours toute délibération relative à l'un des objets énumérés dans les paragraphes 1 à 6 de l'article précédent.

Le Consul Général peut par décision motivée et sous réserve de l'approbation du Ministre de France à Pékin, qui doit être demandée sans retard, refuser de rendre exécutoire une délibération du Conseil Municipal relative à l'un des objets énumérés dans les paragraphes 7 à 11 de l'article précédent.

L'exécution de la délibération demeure suspendue jusqu'à l'arrivée de la réponse de la Légation.

The resolutions of the Municipal Council shall be enforced only in virtue of an order of the Consul General.

The Consul General must render valid within eight days every resolution relating to any of the subjects enumerated in paragraphs 1 to 6 of the preceding article.

The Consul General can for a stated reason and subject to approval of the French Minister at Peking, which must be asked without delay, refuse to render valid any resolution of the Municipal Council relative to the subjects enumerated in paragraphs 7 to 11 of the preceding article.

The carrying out of the resolution remains suspended till an answer from the Legation be received.

ARTICLE XI.

Les séances du Conseil Municipal peuvent être publiques et les débats des séances non publiques peuvent être publiés en vertu des décisions spéciales du Conseil, approuvées par le Consul Général.

Les séances dans lesquelles le Conseil arrête le budget annuel des recettes et dépenses sont toujours publiques à moins que la majorité du Conseil ne s'y oppose.

The meetings of the Municipal Council can be public, and the minutes of the private meetings can be published, in virtue of special resolutions of the Council approved by the Consul General.

The meetings at which the Council passes the annual Budget of receipts and expenditure are always public, unless a majority of the Council object.

ARTICLE XII.

Le Conseil Municipal est chargé des services administratives concernant la voirie, l'écoulement et la distribution des eaux, l'éclairage des rues, la gestion et l'entretien des propriétés Municipales, l'exécution des travaux d'utilité publique, la confection du plan cadastral, l'établissement et la révision des rôles des contributions et la perception des revenus Municipaux. Il est également chargé d'exercer des poursuites contre les contribuables en retard.

Le Conseil nomme son secrétaire.

Il nomme également, sauf l'approbation du Consul Général, à tous les emplois qui rentrent dans le service Municipal. Il suspend ou révoque les titulaires de ces emplois.

The Municipal Council is charged with the duties of administration of the public ways, the drainage and distribution of sewage, the lighting of streets, the care and management of Municipal property, the execution of works of public utility, the completion of a survey of the settlement, the drawing up and revision of rolls of assessment, and the collection of Municipal revenues. It is also empowered to proceed against persons whose taxes are in arrear.

The Council appoints its Secretary.

It also appoints, subject to approval of the Consul General, persons to fill all offices connected with the Municipal service. It suspends or discharges the incumbents of these offices.

ARTICLE XIII.

Le Consul Général est chargé de tout ce qui a pour objet le maintien de l'ordre et de la sécurité publique sur la Concession.

Le corps de Police dont les dépenses sont à la charge du budget Municipal est exclusivement placé sous ses ordres. Il en nomme les agents, les suspend ou les révoque.

The Consul General is charged with everything which appertains to the maintenance of order and public safety on the Concession.

The police force, the expenses of which are a charge on the Municipal Budget, is placed exclusively under his orders. Its members are appointed, suspended or discharged by him.

ARTICLE XIV.

Les contraventions aux réglements de voirie sont jugées par un délégué du Conseil Municipal, sauf recours au Consul Général.

Les contraventions aux réglements de police sont jugées par le Consul Général ou par un officier du Consulat Général.

En cas de poursuites exercées pour retard du paiement de l'impôt le receveur Municipal doit citer le contribuable devant le Tribunal Consulaire.

Infractions of Public road Regulations are tried by a delegate of the Municipal Council, subject to appeal to the Consul General. Infractions of Police Regulations are tried by the Consul General or by an officer of the Consulate General.

In case of proceedings for arrears of taxes, the Municipal Collector must summon the tax-payer before the Consular tribunal.

ARTICLE XV.

Si l'individu poursuivi pour l'une des trois causes mentionnées n'est pas Français et qu'il récuse la compétence des juges désignés par ce même article, il doit être renvoyé immédiatement devant ses juges naturels.

If the person sued for one of the three causes above mentioned be not a Frenchman, and deny the competence of the judges named in the last article, he must at once be brought before the judges of his own nationality.

ARTICLE XVI.

Par suite d'un accord intervenu sur la base d'une exacte réciprocité entre le Consul Général de France et les représentants des autres puissances, les mandats d'arrêt, jugements, ordonnances de saisie &a. émanant d'un juge ou d'un Tribunal étranger et destinés à recevoir leur exécution dans les limites de la Concession Française devront au préalable, sauf le cas d'extrême urgence, être présentés au Consul Général de France ou tout au moins au chef de la Police Municipale. Celui-ci pourra toujours faire accompagner par un ou plusieurs des agents placés sous ses ordres le porteur du jugement ou du mandat et il devra, s'il en est requis lui prêter assistance.

In pursuance of an agreement entered into on the basis of an exact reciprocity between the Consul General for France and the representatives of other powers, orders for arrests, judgments, distress warrants, &c. emanating from a foreign judge or tribunal, and destined to be executed within the limits of the French Concession must previously, except in cases of extreme necessity, be presented to the Consul General for France, or at least to the Chief of Municipal Police. The latter shall always have power to send one or more of the constables under his orders to accompany the bearer of the judgment or of the warrant, and it will be his duty when called upon to render assistance.

ARTICLE XVII.

Le Consul Général pourra, lorsqu'il le jugera utile, et après avoir consulté le Conseil Municipal, convoquer en assemblée extraordinaire tous les électeurs et même tous les Français et étrangers non électeurs demeurant sur la Concession pour recueillir leur avis sur les questions d'intéret général qu'il croira devoir leur soumettre à titre exceptionnel.

The Consul General shall have the power, when he shall deem necessary, and after having consulted the Municipal Council, to convene an extraordinary meeting of electors, and even of all Frenchmen and foreigners not electors who reside on the Concession, to take their advice on questions of general interest which he shall deem proper to submit to them as an exceptional privilege.

ARTICLE XVIII.

En cas de vacance du Consulat Général ou d'absence du titulaire, toutes les attributions et prérogatives conférées au Consul Général par le présent réglement appartiennent de droit au gérant du Consulat Général.

Shanghaï, le 14 Avril, 1868.

Le Consul Général,

(Signé) Vicomte BRENIER DE MONTMORAND.

In case the Consulate General be vacant, or the incumbent be absent, all the functions and prerogatives conferred on the Consul General by the present regulations belong of right to the person in charge of the Consulate General.

Shanghai, April 14th, 1868.

NOTE.—The following is a resumé of the functions and prerogatives of the French Consul General alluded to in Article XVIII:—

ART. I.—He is a member of the Municipal Council, which is therefore composed of 5 Frenchmen and 4 foreigners.

ART. II.—He draws up and revises the electoral list and calls the meetings of electors.

ART. V.—In case Chinese are admitted to sit on the Council without a vote, he nominates them in concert with the Taotai.

ART. VI.—The Councillors can only meet when convened by him unless half of them call for a meeting.

ART. VII.—He is *by right* President of the Council. As President he has a casting vote.

ART. VIII.—He can suspend the Council and appoint a provisional Committee to carry on business till the French Government confirms or annuls his action.

ART. IX.—He can call on the Council to discuss matters not otherwise enumerated in this article.

ART. X.—His sanction is required to every resolution of the Council, and he can suspend action on the most important matters till he communicate with the French Minister at Peking.

ART. XI.—He can refuse to allow the minutes of Council meetings to be published.

ART. XII.—His sanction is required for the appointment of every Municipal officer except the Secretary to the Council.

ART. XIII.—Everything connected with the preservation of order in the settlement is in his hands. He appoints, suspends, discharges and has sole control over the police.

According to the *letter* of the Regulations, the electors have to bear the expense of the police force without any control over the amount.

ART. XIV and XV.—He has appellate jurisdiction in cases of infraction of highway regulations, and original jurisdiction in police and taxation cases. If a foreigner denies his competence the case goes to the proper national court.

Jurisdiction is thus *assumed* over all foreigners who do not contest it.

ART. XVI.—He, or his immediate subordinate the Chief of Police, can scrutinise all orders or writs from Courts other than French which are to be executed on the Concession.

The terms of the alleged agreement between the French Consul General and his Colleagues have never been published, but there is reason to presume that the extensive powers claimed by this article were never ceded by the other Consuls. Probably none of them proposed to do more than to give such notice of intention to execute writs as would prevent interference by the French police.

ART. XVII.—He can call extraordinary meetings of residents on the French Concession who "as an exceptional privilege" will be allowed to give their advice on questions of general interest which he may think proper to submit to them.

Agreement made between the French Consul at Shanghai, and the local officer called Tautai, &c., &c.

Sieh, seven times recorded for meritorious deeds, and advanced three degrees by Imperial Decree, Intendant of the departments of Suchow, Sung-kiang and Taitsang, in the province of Kiangsu, issues this proclamation. Now free commerce having been allowed to the French at Shanghai I have lately received from Mr. Montigny, French Consul a letter of the following import. That in the autumn of 1844 the Imperial Commissioner and Governor General of Kwang-tung and Kwang-si—Keying—and the Imperial Commissioner and Plenipotentiary—Lagrené—in behalf of their respective nations, China and France, after due deliberation agreed, and it was reported to the Emperor by memorial, and His Majesty issued an Edict, granting that in conformity with the Treaty all people of France coming in accordance with the second Article of the Treaty to reside, no matter as to the number, whether few or many, should be permitted to rent houses and factories and also ground on which they might themselves build houses and factories, also churches, hospitals, alms-houses, colleges and cemeteries, and that the Chinese local officers and the resident French Consul shall together consult and determine where it shall be proper for Frenchmen to reside and build. In every place where houses and lands are rented both parties must agree on the prices. Chinese officers must prevent their people from demanding exorbitant rates, and the French Consul must also take care that the people of his country do not force down the price below what is right.. At each of the five ports the extent of ground and the number of houses for the accommodation of Frenchmen shall not be restricted so that the Frenchmen cannot realize profit thereby and that if the Chinese destroy or profane the temples and burial places the Chinese local authorities shall severely punish them according to the laws. For a long time the several nations have acted in conformity therewith as is on record. Now, the French not having rented any ground, it is proper that we should meet and deliberate in the matter.

Immediately on receipt of the foregoing communication, I, the Intendant met the French Consul Mr. Montigny, to confer with him in this matter, and it is now agreed that a site beyond the northern gate of the city of Shanghai, shall be set apart, and that these shall be the boundaries.

On the South—the city moat.
" " West—the Kwanti temple and the Chukea bridge.
" " North—the Yang King Pang.
" " East—the Canton Hung-Kwan-Yuen.

Should this district be found insufficient further deliberations may be held to provide for that case.

With reference to this site it is agreed by the Consul that he will take care that Frenchmen renting ground do not force down the price below what is right, and should any Chinese contrary raise the price above what is the local current rate the Consul may complain to the Tautai, so that they may require the people to conform to the Treaty in this regard.

Should people of other nations wish to rent land within the said limits, they must repair to the said Consul who will consider and act.

A special proclamation. Oppose it not.

Taukwang 29th year, 3rd moon, 14th day. (April 6th, 1849).

Extracts from the English Land Regulations of 1845.

XIV.—If individuals belonging to other nations should wish to rent ground and build houses, or rent houses for residence or storage of goods, within the boundaries of the ground north of the Yang King Pang, set apart to be rented to English merchants, distinct application must first be made to the English Consul, to know whether such can be acceded to, so as to prevent misunderstandings.

XXIII.—Hereafter, should the English Consul discover any breach of the Regulations above laid down, or should any merchants or others lodge information thereof, or should the local authorities address the Consul thereon, the Consul must in every case examine in what way it is a breach of the Regulations, and whether it requires punishment or not; and he will adjudicate and punish the same, in one and the same way as for a breach of the Treaty and Regulations.

Extracts from the General Land Regulations of 1854.

NOTIFICATION TO THE FOREIGN COMMUNITY OF SHANGHAI.

SHANGHAI, *5th July*, 1854.

The undersigned Consuls of the Three Powers having Treaties with China, under the instructions of their respective Plenipotentiaries; and His Excellency Woo the Chief Local Authority representing the Chinese Government at Shanghai, having jointly and severally authorized the issue of a New Code of Municipal and Land Regulations for the better security, and government of all foreigners settled within certain limits, therein specified, a copy of the same is annexed for general information.

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RUTHERFORD ALCOCK,
H. B. M.'s Consul.
ROBERT C. MURPHY,
Consul U. S. A.,
B. EDAN,
H. I. M.'s Consul, ad interim.

PREAMBLE.

Whereas certain Regulations entitled "Regulations for the Land set apart for the residence of British subjects by the "Chinese Local Authorities and Her Britannic Majesty's Consul at Shanghai in concert and communication together," were settled and agreed upon by Captain Balfour, H. B. M.'s said Consul, and Kung Moo-keu, Intendant of Circuit, &c., &c.; and whereas doubts having arisen as to the validity of such Regulations in cases where foreigners, not British subjects, are concerned; and as to the power of enforcing them against all persons coming within the limits aforesaid, and it being expedient and

necessary for the peace, comfort and well being of all who reside within the said limits, that a Code of Regulations binding upon all foreigners without distinction should be established and subtituted in place and stead of the Code above referred to, the following Regulations have been agreed to and settled by the undersigned foreign Ministers, and under their instructions by the undersigned Consuls in communication with His Excellency ———, Intendant of Circuit; in place and stead of the Regulations heretofore in force and which are declared null and void, and of no effect from the date hereof.

Given under our respective hands and seals of office at the Port of Shanghai in China, this —— day of ———, 185 .

REGULATIONS.

I. Boundaries and Limits defined.—The boundaries of the land to which these regulations apply, are—1st, Those defined in the Land Regulations settled and agreed upon by Captain Balfour, H. B. M.'s Consul, and Kung-moo-keu, Intendant of Circuit, on 24th day of September, 1846; and further defined in the agreement entered into between Rutherford Alcock, Esq., H. B. M.'s Consul, and Lin, Intendant of Circuit, on the 27th day of November, 1848, and set forth in the copy hereunto annexed of the original map attached to the said agreement; and 2dly, Those described in a proclamation issued by Lin, Taoutae, bearing date the 6th April, 1849, in consequence of an arrangement entered into between His Excellency on the one part, and M. de Montigny, the Consul of France, on the other part, for the assignment of a space within which French subjects should be at liberty to acquire land and build residences, &c.,—an arrangement subsequently approved and confirmed by the Minister of France, M. de Forth-Rouen, and the Imperial Commissioner, Seu, such boundaries being as follows:—To the South, the canal which extends round the walls of the city from the North-gate; to the North, the Yang-king-pang; to the West, the temple of *Kwan-te* and the bridge of the family *Tchow*; to the East, the river Hwang-poo from the Hwuy-kwan or Canton Consoo-house to the mouth of the Yang-king-pang.

Extract from the British Treaty signed at Mouth of Canton River, October 8th, 1843.

Art. VII.—The Treaty of perpetual peace and friendship provides for British subjects and their families residing at the cities and towns of Canton, Fuchau, Amoy, Ningpo and Shanghai without molestation or restraint. It is accordingly determined that ground and houses, the rent or price of which is to be fairly and equitably arranged for according to the rates prevailing amongst the people, without exaction on either side, shall be set apart by the local officers in communication with the consul, and the number of houses built or rented will be reported annually to the said local officers by the consul for the information of their respective viceroys and governors, but the number cannot be limited seeing that it will be greater or less according to the resort of merchants.

Extract from the U. S. Treaty with China signed at Whang-hia, July 3rd, 1844.

Art. XVII.—Citizens of the United States residing or sojourning in any of the five ports open to foreign trade shall enjoy all desirable facilities to obtain houses and lands suitable for their purposes, or to lease of the people, lands on which to build houses and warehouses or shops, also hospitals, churches and cemeteries. The local authorities of the two Governments will select in concert the sites, having due regard to the feelings of the people. The parties interested will arrange between themselves the rates of rents, the proprietors on the one side not demanding exorbitant prices, the purchasers on the other not insisting in an unreasonable manner on certain points but each conducting with justice and moderation.

Extract from the French Treaty signed at Whampoa, September 24th, 1844.

Art. XXII.—Tout Français qui conformément aux stipulations de l'article II, arrivera dans l'un des cinq ports, pourra quelle que soit la durée de son sejour y louer des maisons et des magasins pour déposer ses marchandises, ou bien affermer des terrains et y batir lui-même des maisons et des magasins. Les Français pourront de la même manière, établir des églises, des hopitaux, des hospices, des écoles et des cimetières. Dans ce but l'autorité locale, aprés s'être concertée avec le Consul, designera les quartiers le plus convenables pour la residance des Français, et des endroits dans lesquels pourront avoir bien les constructions precitées. Le prix des loyers et des fermages sera librement débattu, entre les parties interessées, et réglé autant que faire se pourra conformément à la moyenne des prix locaux. Les autorités Chinoises empecheront leurs nationaux de surfaire, ou d'exiger des prix exorbitants, et le Consul de son coté veillera à ce que les Français n'usent pas de violence ou de contrainte pour forcer le consentement des proprietaires. Il est bien entendu d'ailleurs que le nombre des maisons et l'étendue des terrains à affecter aux Français dans les cinq ports ne seront point limités, et qu'ils seront determinés d'après les besoins et les convenances des ayant-droits. Si les Chinois violaient ou détruisaient des églises ou des cimetières Français, les coupables seront punis suivant toute la rigeur des lois du pays.

Art. XXII.—Every Frenchman who in conformity with Article II of this Treaty, shall arrive at one of the ports open to foreign trade, may, whatever the length of his stay, rent houses and storehouses for the disposal of his merchandise or rent land and build houses and storehouses himself. Frenchmen may in the same way establish churches, hospitals, almshouses, schools and cemeteries. To this end, the local authorities after having arranged with the Consul will designate the quarters most suitable for the residence of Frenchmen and the sites where they may place the buildings mentioned. The terms shall be freely discussed between the parties interested and regulated so far as may be by the average of local prices. The Chinese authorities shall prevent their people from overcharging or requiring exorbitant rates, and the Consul on the other side will take care that Frenchmen use no violence to force the consent of the proprietors. It is moreover well understood that the number of houses and extent of ground, to be set apart for Frenchmen in the ports open to trade, shall not be restricted, and shall be fixed according to the need and convenience of those having rights. If the Chinese desecrate or destroy the French churches or cemeteries, the guilty shall be punished with all the rigor of the laws of the country.

For favored nation clause refer to Article LIV of the English Treaty of Tientsin.

do.	do.	do.	XXX	American	do.
do.	do.	do.	XXVII	French	do.

THE following memorial was circulated in the cosmopolitan settlement for general signature after the publication of the preceding pamphlet, and was signed, as will be seen, by the large majority of foreign firms.

Though they joined in it with the knowledge that it would be bound under the same cover with the pamphlet, they refrained from expressing an opinion upon the contents of the latter, considering them to belong to a political question with which they were not directly concerned beyond its influence in hindering the more perfect establishment of their own municipal government.

The Revised Land Regulations of the cosmopolitan settlement being held in abeyance by the refusal of the French authorities to give their approval, the undersigned residents in Shanghai express the opinion that it would be well to pass the Regulations without waiting for their assent.

They think the Regulations could be very well worked without that assent, believing that the few Frenchmen concerned would cheerfully bear their fair share of the public burdens of their own free will, but even if some would not, the loss would be very slight indeed, and would not interfere with the general working of the system.

Bull, Purdon & Co.
Gibb, Livingston & Co.
Glover, Dow & Co.
Jardine, Matheson & Co.
Holliday, Wise & Co.
Geo. Barnet & Co.
Smith, Archer & Co.
The Chartered Mercantile Bank,
W. Jackson,—*Manager.*
Olyphant & Co.
Brand, Monro & Co.
R. Francis.
E. Iveson.
Blain & Co.
Coutts & Co.
Westall, Brand & Co.
Reiss & Co.
Gilman & Co.
Birley, Worthington & Co.
Thorne Brothers & Co.
Hogg Brothers.
The Oriental Bank Corporation,
J. McDouall,—*Manager.*
J. Ashton & Co.

H. H. Lindsay,
For Trustees—J. Ashton.
David Sassoon, Sons & Co.
Shaw, Brothers & Co.
Turner & Co.
William Hargreaves.
Reid & Co.
Robert Reid,
By his Attornies—Reid & Co.
P. & O. S. N. Company,
per pro. J. D. Barnes.
Frazar & Co.
Trautmann & Co.
E. D. Sassoon & Co.
Hall & Holtz.
Lane, Crawford & Co.
Russell & Co.
Adamson, Bell & Co.
R. T. Thorburn.
Augustine Heard & Co.
Siemssen & Co.
Chapman, King & Co.
Overweg & Co.

Shanghai, *July 25th*, 1869.

Dispatch 66
Inclosure C.
1

Peking, September 17. 1869

My dear Colleague,

The U. S. Consul-general has sent me a dispatch upon the position of the cosmopolitan settlement at Shanghai, inclosing a petition signed by all the leading mercantile Houses, and a letter from the Chairman of the Municipal Council, both setting forth the urgent need there is of an immediate confirmation of the revised code of Land Regulations passed by the Land-renters in 1866, and the untoward consequences which are likely to result if the present uncertain state of things continue.

The

His Excy Sir R Alcock K.C.B.

H. B. M.'s Minister to China

The arguments adduced have great force, and I think will commend themselves to you in favor of adopting the course suggested by their writers of confirming the revised Regulations without waiting for the consent of the French Authorities, who require, as a preliminary, that the Règlements in force on the south side of the Yang-king-pang, which are administered solely by them, shall be simultaneously acknowledged. Those Règlements were published and went into operation without their asking the consent of those who lived on the north side, though the largest part of the residents affected by them belonged to other nationalities; and by parity of reasoning, it seems to me that the code of revised Land Regulations for the northern settlement can, and should, be confirmed without waiting for their consent.

The administration of the Réglements will not be affected by the working of the revised Regulations; and the petitioners intimate that no serious impediment in the working of their own code is apprehended from the suspension of the French authorities.

With these two or three remarks on a matter with which you are familiar, I wish to inquire whether the circumstances are not such as to forbid delay, and whether you can join in recognizing and confirming the revised Land Regulations without longer awaiting the consent of the French authorities. It does not seem to me necessary here to discuss the views of those who object to some features in the code of Réglements, and think that there is much that is not reciprocal or reconcileable between them and the other code; for this

has

has nothing to do with their separate existence, and (it is to be hoped) their free action, for you are already familiar with those views; the point is, that the confirmation of the latter Code should be made as soon as possible upon its own merits by all who assent to them, without involving this confirmation with any stipulations. If you can notify it for the observance of all those who come under the jurisdiction of Her British Majesty, the difficulty now feared will, in this manner, it seems to me, be avoided, and that without compromising any future arrangements.

Please accept the assurances with which I am, with great regard,

Your Obedient Servant,

S. Wells Williams

Dispatch N: 66
Inclosure D.

Peking
September 23. 1869

My dear Colleague,

In reply to your letter of the 17th Instant on the position of the cosmopolitan settlement at Shanghai and enclosing a Memorial signed by all the leading Mercantile houses together with a letter from the Chairman of the Municipal Council, both setting forth the urgent need of an immediate sanction to the Revised Code of Land Regulations passed by the Land-renters in 1866, I have no hesitation in stating that I entirely concur with the Council as to the urgency of some provision being made to that end, and am most desirous to cooperate with you and my Colleagues generally, to prevent any further delay.

Your proposition to recognize

S. Wells Williams Esq
&c &c &c

recognize and confirm the Revised Land Regulations without securing the concurrence of the French authorities, on the ground that this is precisely the course they themselves followed in promulgating the Réglemens, and therefor not a measure of which they could reasonably complain is open to but one objection and that is fatal.

Both the Prussian Minister and myself have received instructions from our respective Governments which preclude our sanctioning the Land Regulations without a general concurrence and recognition of the Réglemens on the French side by all the Treaty Powers.

The reason for such instructions is obvious. The great difficulty hitherto in the satisfactory working of the Municipal Governmental Shanghai, has been the impossibility of obtaining such general recognition from all the Treaty Powers as should preclude any one or more Land-renters or Consuls from resisting

resisting the levy of taxes without which no Government was possible and thus bringing the whole machinery to a dead lock, as appears to have been attempted in several instances by single individuals. One striking instance of which occurring quite recently, is given by the Chairman of the Municipal Council in his letter to H. Mis Consul of the 9th of August. There one Consul opposed the Wharfage dues, one of the most important and least questioned of all the dues of the Settlement it appears, and would have defeated one of the principal measures of the meeting though a "Council without a constituent engaged "in trade in the Settlement".

For this reason I cannot agree with the signers of the Memorial though endorsed, as Mr Seward states in his letter of August 24th by the Municipal Council, that the Land Regulations if sanctioned by the other Treaty Powers could well be worked without the assent of the French Government. I think the incident cited by the Council,

as

as quoted above, plainly shows the power any single individual could exercise under such conditions to hamper and weaken the Council's action, even though outvoted by the great majority of Land Holders. He could in last resort resist payment of any tax and thus strike a blow revealing the weak point in their armour, through which the Council could at all times be wounded in a vital part, and their authority successfully disputed

Under these circumstances I see no possible assessment of the difficulty which besets us when time is so great an object, but general agreement in which the French authorities can join, to provisionally recognize and sanction both the Land Regulations north of the Young Kong pong and the French Reglement for the south, and thus avert the calamity with which both settlements are menaced if the present dead lock should continue much longer

I

I am quite ready to perform my part in such an arrangement in view of the practical issue, and I hope all our colleagues may feel equally disposed to adopt the course.

I have the honor to be,
Sir,
Your obedient servant
(Signed) Rutherford Alcock.

Dispatch 66
Inclos. E.

Whereas, on the 8th of July 1854, the consuls of Great Britain, the United States of America, and France at Shanghai, acting under instructions from their respective plenipotentiaries, joined with Woo, the chief local authority representing the Chinese Government, in jointly and severally authorizing the issue of a new code of municipal and land regulations for the better security and government of all foreigners settled within the limits therein specified, which code of regulations has since been in force at the port of Shanghai:- And,

Whereas, the Consul-general of France, acting under orders from his own Government, did, on the 11th of July 1866, publish

publish a separate code for the government of all foreigners residing south of the Yang-king-pang creek, within certain limits over which he claimed jurisdiction, which code was reissued with modifications April 14. 1868, and is now the law for administering the affairs of that portion of the foreign settlement of Shanghai:- And,

Whereas, the foreign community residing north of the Yang-king-pang creek, at a meeting convened by their respective consuls in the month of March 1866, - agreed upon a code of revised land regulations, containing provisions for the peace, good order and government of all foreigners settled within certain limits therein defined, which code was submitted through these consuls to their respective plenipotentiaries

at

at Peking, and by them to the Governments of Great Britain, the United States of America, France, Russia, and the North German Confederation, all of which have signified their approval of it through their Ministers at Peking: — And

Whereas, in consequence of a stipulation made by the Foreign Minister of the French Government in his approval of this revised Code of Land Regulations, that its publication should be contingent upon a reciprocal acknowledgement of the Code of Réglements published by the Consul-general of France at Shanghai by all the foreign Ministers, which entire acknowledgment various circumstances have combined to delay, but which do not involve its rejection: And

Whereas,

Whereas it is both desirable and urgent to publish the aforesaid Code of revised Land Regulations without a further delay which will seriously prejudice the welfare of the foreign community affected by them, and impair the effective administration of law in that part of the foreign Settlement at Shanghai:— Now,

Therefore, We, the Undersigned, do agree to instruct the Consuls of our respective Governments at Shanghai, to provisionally publish the said Code of Revised Land Regulations, as it was agreed upon by our respective Governments, so that it may go into operation within one month after such publication,— it being understood that this provisional publication and enactment in nowise invalidates or affects any subsequent reciprocal confirmation of the French Règlements by each and all of the Governments which we represent.

Dispatch N°: 66
Inclosure E.

Joint Minute.

The code of Municipal and Land Regulations issued on the 8th of July 1854, by the Consuls of Great Britain, the United States of America, and France, acting under instructions from their respective Plenipotentiaries, for the better security and government of all foreigners at Shanghai, having been found by subsequent experience to be inadequate to meet the exigencies of the administration of law and order over the increasing population living at that port, was revised at a special meeting of the land-renters convened by their respective Consuls in the month of March 1866, and submitted for approval, through the Ministers of Great Britain, the United States of America, France, Russia, and the

North

North German Confederation, to those Governments, all of which have since officially signified their acceptance of the same.

But, meanwhile, through the separate action of the French Government, a code of Réglements d'organisation municipale was published July 11. 1866, and again on the 14th of April 1868 with modifications, by the French Consul-general, which now has effect over that portion of the foreign settlement lying south of the Yang-king-pang Creek; and consequently the aforesaid code of revised Land Regulations will apply only to that part of the foreign settlement lying north of this creek, whenever it goes into operation.

Therefore, in order to avoid longer delay, and its consequent imminent risks to the welfare and safety of those concerned,

we,

we, the Undersigned do hereby provisionally agree, on behalf of our respective Governments, both to the code of Réglements issued April 14th 1868, and to the revised Land Regulations for the foreign Settlement, with the Bye-laws annexed, prepared in March 1866, which are severally to have effect within the limits now claimed on the south and north sides of the aforesaid Creek; and are both alike to have the force of law on and after the first day of November 1869, until the further pleasure of our respective Governments be made known.

And in pursuance of this agreement, we will give the necessary instructions to the Consuls of our respective nationalities at Shanghai, through whom these two codes shall be published for general information and observance.

In witness whereof, we have signed this at Peking, this 24th day of September, 1869

(Signed) S. Wells Williams

" Rochechouart

" Rutherford Alcock

" Rehfues

" Eug Butzow

Disp. N: 66
Inclosure H.

French Establishments in China

The Concession of Shanghai

Paris June 18th 1866

Sir,

As I have already had the honor to inform you, I have thought it proper in presence of the delicate questions which have been raised in the reorganization of the Municipal Council of the French Concession at Shanghai, to call a special Commission which shall seek for the solutions best adapted to obviate hereafter every difficulty between our Consul-General and the residents, whether Frenchmen or foreigners

The Commission - the presidency of which I intrusted to the Senator Baron Gros, formerly ambassador from France to China; and which further

M. de Bellonet

Chargé d'Affaires of France to Peking

further consisted of M. Herbet, Minister Plenipotentiary and Director in the Department of Foreign Affairs: of M. Berthemy, Minister of the Emperor to Pékin; - of Rear-Admiral Jauréz; - and of the Vicomte d'Artot, sub-Director in the office of Foreign Affairs, - has devoted many sittings to the discussion of the various points, whose examination I had submitted to it. After having unanimously decided upon the propositions which they should submit to me, they presented them under the form of a Projet of Municipal organization, to which I did not hesitate to give my entire approbation.

The Commission had at first to examine whether it would be best to fuse our Concession with the Anglo-American quarter, or whether we should on the contrary preserve it's administrative autonomy. It formally decided in favor of this last solution. It has recognized the fact that the right to a separate administration, in the Chinese

Chinese Ports open to foreign commerce, of the quarters set apart for the residence of our countrymen, could not be disputed. This right having for its basis Article XXII. of the Treaty of 1844, and its repetition in Article X. of the Treaty of 1858, we are free to exercise it as often as our interest requires, and whenever local circumstances oppose no obstacle. And at Shanghai particularly, there are some considerations of a high order which induce us to maintain intact the principle of a separation of the Concession

Indeed, Sir, besides that our influence the extreme East would receive a serious injury the day in which the quarter occupied by our countrymen should cease to be administered by itself, one could not not see a régime disappear without regret, which is the work of time and circumstances; and under which the French element has taken a stability in Shanghai that would very

very soon be lost if it should be mixed in the mass of foreign immigration. On the other hand, the fusion would inevitably and immediately result in weakening the authority of our Consul-General, as well as the means of action at his command, and this is what ought by all means to avoid. Our laws invest this functionary with ample judicial powers; and moreover he exercises over his countrymen the right of complete police, which involves in certain cases, the power of expulsion; but, in order that this system, the advantages of which have been proved by long experience, may maintain its entire efficacy, it is essential that our Consul General should always be in a condition to carry out and make his decisions respected; that in default of an auxiliary force paid by his Government, he should have under his orders a corps

of

of police maintained at the expense of the community; and that this community should not be able to bring power against power to settle his action or lessen his influence

There is still a consideration which though of a secondary nature, nevertheless has its value. Whilst the state of the finances of our Concession is very favorable, the Anglo-American Concession finds itself more than a million of francs in debt, and the taxes there, are three times greater than in the French quarter.

After having decided, though these different motives, to reject all plans of fusion, the Commission has elaborated the Reglement, a copy of which is now inclosed As you will see, Sir, the privileges of the Municipal Council are here defined with much precision, so that the dispute which arose last year between some of its members and

and our Consul-General, cannot be repeated again. Though delegated by the Chinese Government with full administrative powers in Municipal Affairs, the Consul-General will at first exercise directly, only those powers that appertain to him to preserve good order and the public safety. In that which concerns the other branches of administration, he will only be invested with a kind of superior and tutelar control; the Council will vote the budget; it will deliberate on every measure of general interest, and manage the municipal services; it will collect the taxes, and decree the disbursements.

The municipal Council will be elective, and composed in part of foreigners. The European or American residents will enjoy the right to vote on the same conditions as French men. Finding themselves, therefore, represented by the persons of their choice, of their own nationality, they can

can as much the less refuse to submit to the decisions of the Council, which their delegates had virtually contracted, by accepting their command, obliging them to uphold in full vigor the municipal government in operation at their election. Sound public opinion will exercise in all cases a decided influence on the inclinations of the electors, as well as of their representatives, and by the introduction of the foreign element, the residents of all nationalities will be alike interested, so that no question of rivalry or self-love will arise in the bosom of their assembly.

Finally, the principle of separation of jurisdictions on account of nationalities, a principle constantly observed in practice by French functionaries, will be found to be set forth in the ireland regulations, without desirable precision. All foreigners living

in

in the French Concessions do not cease to be justiciable to their national authorities, even for simple infractions of police and of street regulations; and therefore will continue to enjoy in full the rights guaranteed them by Treaties. The advantages of this statute of the person is also to be recognized by the Chinese living in the Concessions who are free to decline the jurisdiction of the Consulate-General that they may be judged by the native authorities.

In cases of prosecution for refusing to pay taxes, the foreigners who are amenable to them must always be summoned to appear as defendants before their respective judicial authorities, and these should carefully avoid to challenge it, so to encourage by their decisions an opposition hurtful to the general welfare. For on the ground of equitable reciprocity, there is an equal advantage to

to one and the other to render good and prompt justice.

The arrangements, of which I have now briefly shown you, Sir, the spirit and intent, differ in some essential point, especially in those relating to the composition and powers of the Municipal Council, from the basis of the new organization which the Anglo-American Concession is about to receive by putting in force the "Land Regulations" designed to replace those of 1854.

In the differences to which I have deemed it useful to draw your attention, manifestly appear the distinctive character of the genius and institutions of the two nations

By the French Règlement, the Municipal Council, consisting of one half foreigners, according to the proportion which the foreign element is actually extant in the French quarter

quarter, is elected by all land owners of twenty-one years of age, in our Concession; or those who pay a rent of one thousand francs, or who reside in it with an annual income of four thousand francs. The method of voting is by ballot, and the votes are secret.

According to the Anglo-American Regulation, to be an elector it is necessary to reside in the Concession, and pay a land or local duty of two hundred francs; so that what constitutes there an electoral copy-hold is much higher. Voting takes place according to rather a complicated system, which seems by its very nature to favor the nomination of English and American candidates. The lists are signed by the electors.

Our regulation fixes the number of councilors at eight; their time of office last two years; one half of the Council is changed every year, and it can at any time fill the

places

places of those members who have died or resigned. The Consul-General is ex-officio a member and president of the Assembly. One or more Chinese of note can be admitted into the Council with a consulting voice. Every elector is eligible to office who is twenty-five years old; and a special rate of eligibility will be ultimately fixed if there is any necessity for it.

The Anglo-American Council consists of nine members, elected only for one year; and if more than three vacancies occur during the year, they must be filled by a public ballot without waiting till the annual election. The Council names its president. The copy hold of eligibility requires a person to pay a tax of four hundred francs.

In both systems the Council has two quite distinct functions, it governs and it deliberates. In the French Concession the

the Council is charged with municipal duties, property sporting; as well as the collection of taxes and managing the funds; it appoints and dismisses those in its employ, saving only that the Consul-General must approve its nominations.

The Police is under the exclusive direction of the Consul-General; he fixes the police-regulations, names the agents, and takes all measures to preserve order and public security.

As a deliberative body, the Council is called to vote upon the budget and the taxes; upon all regulations for the streets and for the public health; upon the measures which appertain to the Municipal Service; and to decide upon any questions which the Consul-General judges proper to submit to it.

Its deliberations are made valid by Consular orders; and those relating to the budget must always to

to be made executory. The Consul-General can refuse to confirm those that relate to other matters; but in such cases his decision must be approved by the Legation of France in Peking

In the Anglo-American Concession, the Council centralizes all the administrative service, including the police, and delegates its powers to committees and employés, whom it appoints without control; the consuls cannot intervene, except to compel delinquent to make payment of their taxes. But the powers of the Council as a deliberative body are limited by the intervention of a new element — the meeting of the electors. It is this meeting, which at its annual gathering in April, votes the budget and approves the accounts of the preceding year. But besides this, it assembles as often as a Consul or ten electors demand it; and its decisions are obligatory

on

on all, whenever one third of the electors have taken part in voting. The Council makes police-regulations and for the care of streets; and imposes fines and other penalties; but its regulations must be sanctioned by the general meeting. They must also receive the approbation of the Consuls and Legations, and it is at this point alone that the Governments interested, exercise through the intervention of their Agents, a certain control over the decisions of the general meeting, or of the Council, in the municipal affairs of the Anglo-American Concession

The French Règlement simply gives to the Consul-General, on occasions of meeting, the right to convoke an extraordinary assembly of all the electors, and even of all the residents of the Concession who are not electors, whenever he sees fit, either to submit to them the

annual

annual budget, or to consult upon any other question that interests the community.

Finally, Sir, if our Règlement, in its desire to strengthen the Consular Authority, rather limits the powers of the Council, it is in that which concerns the basis of elections far more than the Anglo-American Regulations, which tend to give to the municipal body an oligarchical constitution. It is necessary to maintain these fundamental differences. Any diminution of the powers conferred by the Regulation upon our Consultinal, would correspondingly increase the influence of those municipal councilors who are of foreign birth, and open the road to a fusion of the municipalities

On the other hand, the preponderant influence which our Regulation gives to the Consular Authority is more in

harmony

harmony with the principles of territorial sovreignty, than is the concentration of all the administrative powers, in the hands of the Anglo-American Consul. The Consul in effect is free to delegate to an elective body the powers that he holds from the Court of Peking in municipal matters; but if he entirely parts with this right, he runs a risk of developing among his countrymen that tendency to disregard the rights of the Chinese Government which has more than once manifested itself among the foreign residents; aspirings for independence, which are the more difficult to repress because they emanate from a collective body, and involve no individual responsibility.

If on the contrary, the Consul preserves the right of control over the administrative acts of the community, the local

authority

authority has nothing to dread,
neither territorial encroachments,
nor usurpations of its power; it
can and it ought to restrict them,
for it is, as well as its Government,
directly bound by Treaties and obliged
to faithfully observe them.

I have been
very careful moreover, when desiring
our Consul-General in Shanghai
to put this Règlement in force, at
once, to recommend to him the great
est moderation in the exercise of
the powers conferred upon him. I
have at the same time urged upon
him to neglect nothing that will
tend to maintain between him
and his colleagues, that harmony
and mutual goodwill, which
can alone effectually contribute
to make this reorganization of
the municipal Government in
the French Concession, promote the
general welfare. In that country, where
a strict solidarity of interest
brings

brings together all foreign residents, each nation, instead of seeking the triumph of an exclusive influence, ought, solely to strive to widen the sphere of its commercial activity; and I desire that the agents of my Department should exert themselves on every occasion to encourage the efforts of their countrymen in this direction.

Receive &c

{Signed} Mounyde Thuys

Rec'd 3d Jany. Mr. Pratt

No. 66. Additional.

Legation of the United States,

November 3. 1869

Sir,

Since my last dispatch by the steamer of October, the following memorandum (Inc. 1.) has been signed by all the foreign Representatives to cover the amendments in the Revised Land Regulations, so that the whole code may go into effect without delay. I have the honor to inclose a printed copy of the amendments that you may see what the changes are; they are chiefly suggested by the experience of the Municipal Council, and will probably all be found to be real

Hon Hamilton Fish

Secretary of State

Not copied

real improvements.

I have the honor to be,

Sir.

Your Obedient Servant,

S. Wells Williams

No. 66. Additional inclosure No. 9 or I.

Memorandum.

In reference to the annexed Joint Minute, it is hereby declared that the revised Land Regulations, with the Bye-laws prepared in 1866, provisionally sanctioned by the Undersigned, shall be held to include the said Regulations as amended and modified by a public meeting of the land renters held on the 27th and 28th of May 1869, and subsequently considered at a meeting of the foreign consuls held on the 13th of July 1869, and by them confirmed.

And in reference to the question discussed by the Consuls relative to a provision for enabling individuals to

sue

sive the Council, the Undersigned sanction provisionally, and as an experiment — subject to future modification if found expedient the third proposition brought under consideration of the Consuls in their meeting of the 13th. July 1869. by which a Court, to be styled the Court of Foreign Consuls, shall be established at the beginning of each year by the whole body of Treaty Consuls; and instructions will be given accordingly

(Signed) S Wells Williams
" Rutherford Alcock
" Rochechouart
" Rehfues
" Eug. Butzow

Dispatch No. 66
Inclosure 1.

U.S. CONSULATE SHANGHAI. OCT 20 1869

REVISED LAND REGULATIONS

FOR THE

FOREIGN SETTLEMENT

OF

SHANGHAI.

APPROVED BY THE LAND RENTERS AT A SPECIAL MEETING, HELD ON THE 9TH, 12TH, 13TH & 17TH MARCH, 1866.

Appendix No.
Volume I.

To the Land Renters,

It is found necessary again to present the proposed new Land Regulations to the Land Renters for further amendments.

The attention of those principally concerned in framing them has been drawn to them at this moment, partly by the recent case in H. B. M.'s Supreme Court, and partly by considerations which have presented themselves in the negotiations to obtain the assent of the various foreign governments.

The Council regret that they were not able to offer these amendments sooner, in order that there might be time for discussion and reflection before the meeting.

That being however impossible, they conclude to present them to the meeting of the 27th, as it may be found that the Land Renters will be of but one opinion upon them, and that in their favor, in which case much valuable time will be saved. If the contrary proves the case, it is but simply to refer the matter to another meeting. Some of the amendments are merely verbal, and some to supply accidental omissions or to make the sense clearer. The following are those of importance.

FIRST.—ARTICLE I. The omission of the French Ground in designating boundaries.

This section of the settlement was included by inadvertence, there being no proposition to exercise jurisdiction over it by the Council elected under these Regulations. It has been clearly understood and accepted, that it would be under its own separate municipal government under some form or other, and therefore its inclusion in the boundaries designated for municipal control under these Regulations, is clearly a mistake which if not corrected, might lead to serious complications and misunderstandings.

SECOND.—ARTICLE IX. That *the majority* of the Foreign Consuls shall be competent to act and decide in municipal affairs instead of its being requisite that the whole body should join. As, without the amendment, the dissent of a single member of the Consular body, perhaps on some trifling point, might bring the public business to a stand still, this provision will no doubt meet with general approval.

THIRD.—ARTICLE IX. That wharfage dues shall be paid upon exports as well as imports, and providing more clearly that entry at the Custom-house shall form the basis of the charge to the various parties concerned.

As there has been no question in the community that payment of wharfage dues on exports was *intended*, though by chance not expressed, and as the present inability to collect them would result, if continued, in the necessity of imposing further taxes upon rentals and real estate to the extent of over Tls. 30,000, thereby bringing directly on the residents a burden to that amount, which should properly fall on the owners of merchandise in Europe and America, the Council think this amendment will be also approved.

FOURTH.—ARTICLE X. That the number of the members of the Council shall be not less than five nor more than nine, in place of being fixed at nine.

This will allow of the formation of the executive body, when from any cause, so many as nine cannot be found to serve.

FIFTH.—ARTICLE XIX. The amount of property qualification both for voters and for members of the Council, is reduced in accordance with later experience.

The minor modifications need no observations, as they commend themselves to the Land Renters.

EDWARD CUNNINGHAM,—*Chairman.*

R. B. BAKER,
MATHEW T. YATES, } *Members of Council.*

COUNCIL ROOM, 15, HONAN ROAD,
SHANGHAI, *May 24th*, 1869.

* The amendments will be found printed in red ink.

EXTRACT *from the Minutes of a Special Meeting of Land Renters, held at H. B. M's Consulate, on Friday, the 9th, Monday, the 12th, Tuesday the 13th, and Saturday, the 17th March, 1866, to consider, discuss and amend the code of "Proposed Revised Land Regulations" for the Foreign Settlement of Shanghai prepared by the Committee appointed at the Meeting of Land Renters of the 15th April, 1865.*

The CHAIRMAN, in thanking the meeting for their vote so far as he was personally concerned, said he had done much less than the judge, who had devoted a great deal of labour to the revision. He would ask them also not to forget the interest which had been shown by the U.S. Consul General. Mr. Seward had gone into the country that afternoon, but though he was not present personally his heart was with the meeting. It now only remained to arrange the alterations which had been made so that the whole regulations could be understood by the eye running over them. When that was done, it would be well that all the foreign Consuls should be requested to assemble, in order that they might be consulted regarding them. Especially, before sending them to Peking, he would wish to obtain the opinion of the Consul General for France. It was not possible for the two settlements to live under distinct regulations. As soon therefore as they were put into shape, he (the Chairman) would do his part by sending them on to the different Consuls.

Mr. PEARSON proposed.

That the Municipal Council be authorized to have the minutes of the meeting printed, together with the annexed Land Regulations and Bye Laws, and to forward copies of the same to the different foreign Consuls at Shanghai requesting their co-operation and support in obtaining the sanction of their respective Governments to the Bye-laws.

Mr. COWIE seconded this proposal, which was carried unanimously; and the meeting separated.

True extract,

CHARLES A. WINCHESTER,
H. B. M. Consul.

Shanghai, 18th March, 1866.

THE following extract is published for general information:—

MINUTES *of the Proceedings of a Meeting of Renters of Land in the Hong-que Settlement, held at the Consulate of the United States, Shanghai, at 2 p.m. on the 21st September*, 1863.

The Consul of the United States opened the Meeting by remarking that it had been convened to receive the reports of the Committees appointed at the previous meeting, and to enable the Land Renters to take such action as they might think necessary, in view of the state of the settlement. He would read to the Meeting the convention made by him for the settlement, with the local Chinese Authorities. It was of importance, as it was the only basis upon which the Municipal body which the Meeting might create, could claim any territorial powers.

An agreement between His Excellency Hwang, imperially appointed intendant of Circuit for the departments of Soo, Sung and Tae, and George F. Seward, Consul for the United States at Shanghai, concerning the boundaries of the Hong-que settlement, and certain matters pertaining to the Government thereof.

1st.—The boundaries shall be:—

The Soochow Creek from a point opposite the entrance of the defence canal to the Wangpoo.

Thence, at low water mark, to the mouth of the Creek entering the Wangpoo near the lower limit of the anchorage called Yang-tse-poo.

Westward, three li along the line of the creek:

Thence in a straight line to the point of beginning.

2nd.—Citizens or subjects of all nations may rent ground within the boundaries under the terms of Treaty stipulations.

3rd.—The right of jurisdiction of the Chinese Authorities over their subjects resident within the settlement, is acknowledged to be indefeasible, but no arrests may be made except on warrants stamped by the Municipal Authority.

5th.—The Municipal Authority may lay out roads and streets, and all land acquired subsequent to the date of this agreement shall be subject to the proviso expressed or understood, that the renter shall surrender the land required for roads to the public use.

In case it shall be deemed necessary or advisable to open roads while the land remains in the hands of Chinese, it is understood that the advantages so accruing will repay the native owners; but should any person be aggrieved in property by the opening of roads, they may represent the same to the Municipal Authority, which shall proceed to appoint assessors to estimate the damages, and the payment of the same if any, shall be obligatory on the public.

6th.—All Foreigners, subjects of non-treaty powers shall be liable to be dealt with in all things by the Municipal Authority, but any individual of this class may exempt himself from such jurisdiction, by filing in the Consulate of any Treaty Power a written instrument acknowledging himself to be subject in all respects to the jurisdiction of such Consulate, provided that the said Consulate be willing to accept such jurisdic-

tion, which shall be judicated by the issue, in each instance, of a document declaring to the fact that the above named instrument in writing has been duly filed, and that the person is entitled to the protection of the Consulate.

7th.—The right of the Chinese Government and the Municipal Authority to tax Chinese residents within the boundaries of the Settlement, is mutually conceded under the following terms :—

The terms are as under :—

1st. The Toutai shall appoint two or three deputies who will assess the rentals with the Municipal Council, but the collection of the Tax shall be carried out by the latter. In case of disputes arising between the Chinese deputies and the Municipal Council, the Toutai, together with the English and American Consul, shall settle them.

2nd Twenty per cent per annum shall be collected, one half of which shall be retained by the Consul for Municipal purposes, and the other half handed to the Toutai to meet the military expenditure.

3rd. The Municipal Council shall bear all their expenses, but the Toutai shall pay the Chinese deputies.

4th. Two sets of books shall be kept, one for the Council and one for the Toutai.

5th. It being agreed, now, that 20 per cent shall be levied on rentals, there shall be no further increase.

6th. The money collected shall be deposited in the Hae-quan Bank, whence the Toutai and Council shall draw as required.

7th. This Tax on Rentals having been agreed on, the Toutai shall not impose a poll or similar tax within the limits of the settlement, nor shall any additional tax be made to existing ones.

8th. This tax on rentals shall cease as soon as peace is restored.

9th. The Tax shall be collected every three months commencing from the 1st July.

Done this twenty-fifth day of June, in the year of our Lord one thousand eight hundred and sixty-three.

MEMORANDUM

On the suggested revised Land Regulations and Bye-Laws.

A reference to the causes which have suggested a revision of the Land Regulations and the objects which it endeavours to attain, may perhaps be useful.

The original Land Regulations were framed under the authority vested in the Superintendent of Trade by an Order in Council of the 13th of June, 1853, and this Order in Council was passed under the authority conferred on Her Majesty by two Acts of Parliament *i. e.* the 5 and 6 Vict. ch. 80, and the 6 and 7 Vict. ch. 94.

So far as British subjects are concerned, every rule for their good government in China emanates under the above Order in Council, or rather now under the China and Japan Order, 1865, from the Superintendent of Trade. He alone can make Laws for the purpose of ensuring such good government, and no rules are binding on British subjects in China except such as he has directly imposed or sanctioned.

For the purposes of this Memorandum it must be assumed that the Representatives of France and the United States of America acted under some similar authority conferred upon them by their respective Governments, for independently of the fact that they were parties to the Land Regulations, it must be presumed that the Governments of these two countries, and indeed the Governments of other countries having trading relations with and establishments in China, have not neglected to provide for the good government of their subjects resident in, or resorting to China.

The source of the authority under which the Land Regulations were framed being clear, the next point to ascertain is, whether at the present moment they are sufficient to provide for the good government of the settlement. If they are not, the same authority that sanctioned them, can sanction others more applicable and better adapted to the purpose.

By the tenth Section of the Land Regulations the British Superintendent of Trade and the Representatives of France and the United States of America (these three countries being then the only three Powers having treaties with China) made provision "for the "making of Roads, building Public Jet- "ties and Bridges, and keeping them in "repair, cleansing, lighting and draining "the Settlement generally—and esta- "blishing a Watch or Police force;"— these being then the most obvious pressing wants of the Community.

They also empowered the Foreign Consuls to call annually a Meeting of the Land Renters to devise means of raising the necessary funds for these purposes, giving to the Land Renters permission to declare an assessment on Land and Buildings and to affix Dues, which for want of a better name were called "Wharfage Dues," on all goods landed at any place within the limits, and they also empowered the same Body to appoint a Committee to levy the rates and dues, to apply the funds, and to sue defaulters.

It will be seen then, that under this Section, the chief objects of Municipal Government were intended to be provided for, and in the calling together of the Land Renters, to declare an assessment and impose dues, and the appointment of an Executive Committee to levy and apply the funds raised, the essential forms of Municipal government were adhered to.

The Land Renters were to devise means for raising funds for the purposes of building Roads, Jetties and Bridges and keeping them in repair; for providing for the health of the Settlement; and for the security of life and property within it, and a Committee of them was to take on itself the task of collecting the taxes and enforcing payment from Defaulters, and of applying them when collected.

In other words, that which the Crown in England confers on bodies of individuals by Charters of Incorporation for Municipal purposes, the British Superintendent of Trade and the Ministers of France and the United States, conferred, within certain limits, on the Foreign Land Renters of Shanghai by these Land Regulations.

Time and experience now show that these Regulations do not provide sufficiently for the good government of the Settlement. More funds are required than can justly be raised by an assessment on Land and buildings, and by the imposition of mere Wharfage dues on the goods landed within the limits.

No departure, however, from the original Rules is asked.

The "purposes" mentioned in the Section referred to, have extended themselves—that is to say—a greater number of Roads, Jetties and Bridges are required, more funds are necessary to maintain and repair them, and more efficient and extensive means of cleansing, lighting and draining the Settlement—in other words, providing for the health of the Settlement—are absolutely necessary. The natural increase of the Settlement in population and extent, not only necessitates all these additional means, but also necessitates more efficient means of providing for the security of Life and Property within it: and the Land Renters are simply acting in conformity with the object which induced the British Superintendent of Trade and the Ministers of France and the United States to direct the Consuls to convene an annual meeting of them, when they *do* devise additional means of raising funds for the extended "purposes" mentioned in the tenth Section.

If the authority of the British Superintendent of Trade, and of the French and American Ministers, was sufficient to provide for the making of one Road and Jetty, for cleansing, lighting and draining, and for establishing a Police force to watch one-tenth of the settlement, it is clear that the same authority is sufficient to make further provisions of the same nature when imperatively demanded by the increase of the population.

In the same way, the authority that convened an annual meeting of Land Renters to raise funds sufficient for the then purposes can convene them in order to raise funds for present purposes; and the same authority that could pro-

perly raise one tax can also raise others, provided that the "purposes" for which the funds are required, as well as the application of the funds themselves, are within the scope of the Authority which is only limited by the provision to provide for the "peace, "order and good government of the "Foreign Residents within the Settle-"ment."

It has then to be seen whether the suggested Revised Land Regulations are anything more than an extension of the old Regulations, whether they have any different source from those framed in 1854, and whether they assume or confer any rights or any powers inconsistent with the limit imposed of providing for the "peace, order and "good government of Foreigners within "the settlement.

It may here be mentioned that the Chief Judge of Her Majesty's Supreme Court, in his judgment in the case of "Keswick and others *v.* C. Wills and another," alluded expressly to the wide significance and meaning to be attached to the words "Peace, order, and good government," and to the power and authority they conferred, illustrating their interpretation by that which has been given to them in Colonial Charters under which Laws have been enacted, taxes levied, and a variety of other useful and necessary measures of government provided.

If it be true that these words do possess the value attributed to them, then it is clear that the moment the necessity is demonstrated for farther provision being made for the good government of the Settlement, the authority that made the Old Regulations can make the New.

The scheme of Revised Land Regulations contemplates simply the provision of an authority to be derived directly from the Representatives of the Powers having Treaties with the Emperor of China, to which the assent of the Imperial Commissioner through a Diplomatic medium should be obtained.

It does not seek to invest either the Rate-payers or the Executive Council to be elected by them, with any original or self-emanating Powers. It distinctly records in the Preamble the source of the Power prayed for, and all the Rate-payers and their Executive Council seek for, is the continuance of the delegated Power of self-government originally conferred on them.

It is the anxiety of the Land Renters to avoid even a suspicion of a desire to arrogate for themselves or for others, who shall in future act with them, powers or authority which their position on a Foreign soil does not entitle them to claim, that has induced them to retain the old form of the Land Regulations in preference to framing a scheme of Municipal Government more artistic and complete in form. They have willingly abandoned the idea of asking for a Charter of Incorporation, in which the source and extent of the powers vested in them should appear clothed in legal phraseology and in that completeness of form which should characterize every perfect system of self-government, for the less artificial form in which the Revised Land Regulations are now submitted for approval and sanc-

tion. In so doing, they desire to afford evidence of the spirit in which the revision has been made, and of the sole object in view—namely providing for the peace, order and good government of the Settlement, under the authority of the Diplomatic and Consular authorities of the various Foreigners residing within it—they themselves acting, not by virtue of any assumed or original Power, but simply as Delegates of these Officials.

In submitting, then, these revised Resolutions for the approbation and consent of the Ministers of the Powers having Treaties with China, and for that of the Imperial Commissioners, the Land Renters desire that it should be borne in mind that the cost of defraying the expenses of the Government of the Settlement is borne exclusively by the Residents within it, and by dues levied on goods which are landed or shipped within its limits—neither the national authorities of the Foreign Residents nor the local authorities of the Chinese Residents, contributing one farthing towards the Budget of expenses; and not only is this true, but the Residents within the Settlement, by providing and paying for a Police force sufficient for the security of life and property, are on the one hand performing an obligation which the Government of China has by treaty taken upon itself, but which it is powerless to fulfil, and, on the other, obviating the necessity of Foreign Governments incurring the odium and cost of insisting on the performance of an obligation on the part of those who have solemnly undertaken a task beyond their powers of performance.

It will be seen also, that throughout the scheme no attempt has been made to interfere with, still less to diminish the authority of the different Consuls over their countrymen. The whole Executive or rather co-executive power, remains where it has been since the opening of the port, in the hands of the Consular authorities, and they alone in all cases of fine or imprisonment, can enforce the performance of the rules, or punish their infraction. In short, the principle which pervades the whole Land Regulations as revised, as well as the Bye-Laws annexed to them, may be briefly described as a delegation by those to whom the Mission of providing for the peace, order and good government of the settlement is confided, of so much of their authority as consists in the provision and application of the funds necessary for the purpose, to those persons from whose pockets the money comes, and who are most nearly interested in its economical and efficient application.

On this principle also a variety of provisions, which, under a more perfect system would have naturally formed part of the Regulations themselves, have been thrown into the form of Bye-Laws, which can be altered or varied without it being necessary on every occasion to amend the Regulations themselves.

It would have been easy to have framed a general clause under which most of these Bye-Laws might have been included, but it was deemed more

advisable to be explicit, and to leave as little as possible to inference, thus substituting specific for general powers.

Only one other point remains, to which it may be as well to advert.

In what way do the Revised Land Regulations affect the Chinese and Foreigners?

The same argument which demonstrated the identity in principle of the Revised Regulations with those passed in 1854, and which established that they are but an extension to meet the wants occasioned by the increase of the Settlement, is applicable to show that they are not more prejudicial to the interest of either Chinese or Foreigners than those which received the sanction of the three Foreign Ministers and of the Imperial Commissioner.

Indeed the Provisional Clause, Section 14, of the old Regulations, which provides for the issuing of further Rules, shows distinctly that all the parties to them contemplated the extension which has now become necessary; and it would not only be too late now but most unfair for either Chinese or Foreigners to take advantage of the present suggested Revised Regulations, to object to the Principle involved in the old Regulations, and to which all parties then assented.

It is not to be supposed that those Foreign Governments which in 1854 had not Treaties with China, and who from their not being there represented, did not sign the Land Regulations passed in that year, would now repudiate on the part of their Subjects who are or may become resident in the Settlement, their liability to contribute their quota to its Revenue, or to conform themselves to the Rules which have been framed for, and upon which depends, its good government. Such a supposition would be a reflection on the good faith of Foreign Governments, and be a slur on those of their subjects who have acquired Land or have become resident within the settlement, and participated in all the advantages which the system of self-government sanctioned by the Regulations, has produced. Having voluntarily domiciled themselves in a place where certain Laws and Regulations prevailed, they are upon every principle of equity, and what may be not inaptly termed Comity, bound to conform themselves to them.

Indeed as a matter of strict Law, the Land Regulations embody in themselves the terms upon which the Emperor of China, being the Lord of the soil, has admitted Foreigners—at that time limited in strictness to the nationalities of the three Treaty Powers—to reside on the Land set apart for their use; and all other Foreigners who with the sanction of their Governments,—as evidenced by the appointments of Consular officers to look after their interests,—have located themselves in the Settlement, have by the fact of their residence bound themselves to conform to those terms, in the same manner as the Subjects of the three Treaty Powers conform to them.

The advantages conferred on all future treaty Powers by what is commonly known in Diplomatic language as the "most favoured nation clause," and

under which Foreign nations have actually availed themselves of the privilege of trading and residence, carry with them also the obligations which the original Treaty Powers themselves incurred, amongst the most important of which was the implied undertaking, in exchange for the privilege of exclusive jurisdiction, to make due provision by necessary laws and regulations for the good government on Chinese soil of foreign residents.

By most, if indeed not by all, systems of laws the obligations incurred by treaties form part of the Municipal Law of all countries, and it is thus—even where express enactments are wanting,—that the foreign Consular authorities in China have power and jurisdiction over their countrymen in this country; power to consider the Laws and Regulations existing on the spot where their nationalists reside as binding on them by the fact of their residence, and jurisdiction to enforce their observance.

JAMES HOGG,
Chairman.

H. W. DENT.
T. HANBURY.
W. KESWICK.
WM. PROBST.
GEO. TYSON.
Members of Committee.

Shanghai, 22nd January, 1866.

LAND REGULATIONS.

I.—Boundaries and Limits defined.

II.—Mode of acquiring Land.

III.—Final Settlement and Title Deeds.

IV.—Registration of Land and charges thereon.

V.—Transfer of Lots.

VI.—Land surrendered to Public use.

VII.—Boundary stones to be placed.

VIII.—Chinese Government Land Tax.

IX.—Road and Jetties, Assessment on Land and Houses—Rates—Dues—and Taxes. Consuls to convene meetings of Renters—and other persons entitled to vote.

X.—Land Renters and others, &c. to appoint Committee or Council.

XI.—Committee or Council to have power to make Bye-Laws.

XII.—Accounts how to be audited.

XIII.—Defaulters how to be sued.

XIV.—How Penalties, Forfeitures on Licenses, Fees, &c. under Bye-Laws are to be recovered.

XV.—Consuls may at any time call meeting of Land Renters &c.

XVI.—Cemeteries for Foreigners, Chinese Graves, &c.

XVII.—Breach of Regulations.

XVIII.—Nomination and voting for Council.

XIX.—Election of Council, and qualifications of voters at Public Meetings.

XX.—Vacancies.

XXI.—Tenure of Office.

XXII.—Questions and Quorum.

XXIII.—Committees appointed by Council.

XXIV.—Officers.

XXV.—Funds.

XXVI.—Persons acting in execution of these Regulations not to be personally liable.

XXVII.—

XXVIII.—Alterations in Regulations hereafter.

XXIX.—That Land Renters and Rate Payers shall be taken to mean "Electors."

LAND REGULATIONS.

PREAMBLE.

WHEREAS certain Regulations, entitled Land Municipal Regulations, for the peace, good order and government of all persons residing on the land set apart by the Chinese authorities for the residence of Foreigners, were settled and agreed upon by the Representatives of England, France, and the United States of America, then being the three Treaty powers, and under their instruction by the Consuls of the above mentioned States, in communication with His Excellency Woo, the chief local authority representing the Chinese Government at Shanghai; and whereas it was therein provided that, hereafter, should any corrections be requisite in the aforesaid regulations, or should it be necessary to determine on further rules, or should doubts arise as to the construction of, or powers conferred thereby, the same should be consulted upon and settled by the Foreign Consuls and Intendant of Circuit in communication together, who should equitably decide thereon, and submit the same for confirmation to the Representatives of their respective countries in China, and to the Chinese Imperial Commissioner, managing the affairs at the five ports. AND WHEREAS it is expedient that the said Regulations should be revised, and that further and better provison should be made for the peace, good order and government of all persons residing on the Land so set apart as aforesaid; be it ordered that the following revised Regulations which have been agreed to and settled by the undersigned Consuls in communication with His Excellency the Intendant of Circuit, and the Bye-Laws annexed thereto, shall have effect and be binding upon all persons residing or being within the limits of the said Land so set apart, as to all matters and things comprised therein from and after the expiration of one month after the same shall have been affixed and kept exhibited at the offices of the various Foreign Consulates.

Given under our respective hands and seals of office, at Peking, China, this ——— day of ——— 186 .

NOTE.—In all cases of Fines or Forfeits, before the amount, the words *not exceeding* should have been inserted.

LAND REGULATIONS.

PREAMBLE.

WHEREAS certain Regulations, entitled Land Municipal Regulations, for the peace, good order and government of all persons residing on the land set apart by the Chinese authorities for the residence of Foreigners, were settled and agreed upon, by the Representatives of England, France, and the United States of America, then being the three Treaty powers, and under their instruction by the Consuls of the above mentioned States, in communication with His Excellency Woo, the chief local authority representing the Chinese Government at Shanghai; and whereas it was therein provided that, hereafter, should any corrections be requisite in the aforesaid regulations, or should it be necessary to determine on further rules, or should doubts arise as to the construction of, or powers conferred thereby, the same should be consulted upon and settled by the Foreign Consuls and Intendant of Circuit in communication together, who should equitably decide thereon, and submit the same for confirmation to the Representatives of their respective countries in China, and to the Chinese Imperial Commissioner, managing the affairs at the five ports. AND WHEREAS it is expedient that the said Regulations should be revised, and that further and better provision should be made for the peace, good order and government of all persons residing on the Land so set apart as aforesaid; be it ordered that the following revised Regulations, and the Bye-Laws annexed thereto, shall have effect and be binding upon all persons residing or being within the limits mentioned in the following regulations, as to all matters and things comprised therein from and after the expiration of one month after the same shall have been affixed and kept exhibited at the offices of the various Foreign Consulates.

Given under our respective hands and seals of office, at Peking, China, this ——— day of ——— 186 .

REGULATIONS.

I.

Boundaries and Limits defined.

The boundaries of the land to which these regulations apply, are:

1st; those defined in the Land Regulations settled and agreed upon by Captain Balfour, H. B. M.'s Consul, and Kung-Moo-Ken, Intendant of Circuit, on 24th day of September, 1846; and further defined in the agreement entered into between Rutherford Alcock, Esq., H. B. M.'s Consul, and Lin, Intendant of Circuit, on the 27th day of November, 1846, and set forth in the copy hereunto annexed of the original map attached to the said agreement.

2nd; those described in a proclamation issued by Lin, Taoutae, bearing date the 6th day of April, 1849, in consequence of an arrangement entered into between His Excellency on the one part, and M. de Montigny, the Consul of France, on the other part, for the assignment of a space within which French subjects should be at liberty to acquire land and build residences, &c.—an arrangement subsequently approved and confirmed by the Minister of France, M. de Forth-Rouen, and the Imperial Commissioner, Seu; such boundaries being as follows:—To the South, the canal which extends round the walls of the city from the North-gate; to the North, the Yang-King-Pang; to the West, the Temple of Kwan-te and the bridge of the family Chow; to the East, the river Hwang poo from the Hai-Kwan or Canton Consoo-house to the mouth of the Yang-King-Pang.

And 3rd; on the American side;—North, the line from Yang-tsze-poo to the point opposite the Defence Creek; South the Hwang-poo from the mouth of the Soochow Creek to the mouth of the Creek entering the Hwang-poo near the lower limit of the Anchorage, called the Yang-tsze-poo; West, the Soochow Creek from a point opposite the entrance of the Defence Creek to the Hwang-poo; East the bank three li along the line of the Yang-tsze-poo.

Within the boundaries defined in the map above referred to under the first head are certain sites, namely, the New Custom-house, and the Temple of Rewards, together with the land set apart for the use of H. B. M.'s Government, known as the British Consulate site, which are exempted from Municipal control, as well as any land hereafter to be settled or acquired by the Governments of France, or the United States of America or other Governments having treaties with China for Government purposes only: but the British and Foreign Consulate sites, the Custom House and any lands acquired as above, shall bear their share of the public burdens and Municipal taxes.

II.

Mode of acquiring Land.

Any person desiring to rent land or purchase houses from the Chinese Proprietors, within the said limits, shall do so in accordance with the provisions laid down in the Treaties of Foreign Powers with China.

III.

Final Settlement and Title Deeds.

It having been ascertained that no impediment exists to the renting of the land, the parties interested may settle with the Chinese proprietors the price and conditions of sale, and they will then report

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I.

1st; those defined in the Land Regulations settled and agreed upon by Captain Balfour, H. B. M.'s Consul, and Kung-Moo-Kew, Intendant of Circuit, on the 24th day of September, 1846; and further defined in the agreement entered into between Rutherford Alcock, Esq., H. B. M.'s Consul, and Lin, Intendant of Circuit, on the 27th day of November, 1848, and set forth in the copy hereunto annexed of the original map attached to the said agreement.

And 2nd; on the north side of the Soochow Creek;—North, the line from Yang-tsze-poo to the point opposite the Defence Creek; South the Hwang-poo from the mouth of the Soochow Creek to the mouth of the Creek entering the Hwang-poo near the lower limit of the Anchorage, called the Yang-tsze-poo; West, the Soochow Creek from a point opposite the entrance of the Defence Creek to the Hwang-poo; East the bank three li along the line of the Yang-tsze-poo.

Within the boundaries defined and above referred to under the first head are certain sites, namely, the New Custom-house, and the Temple of Rewards, together with the land set apart for the use of H. B. M.'s Government, known as the British Consulate site, which are exempted from Municipal control, as well as any land hereafter to be settled or acquired by other Governments having treaties with China for Government purposes only: but the British and Foreign Consulate sites, the Custom-house and any lands acquired as above, shall bear their share of the public burdens and Municipal taxes.

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* See despatch of Consul Alcock to Sir S. G. Bonham, 27th November, 1848.

the transaction to their Consular Representative, and lodge with him the Chinese proprietor's agreement or deed of sale, in duplicate, accompanied by a plan clearly marking the boundaries. The said Consular representative shall then transmit the same to the Intendant of Circuit, for examination. If the sale be regular, the deeds will be returned to the Consul sealed by the Intendant of Circuit, and the purchase money can then be paid. If there are graves or coffins on the land rented, their removal must be a matter of separate agreement, it being contrary to the custom of the Chinese to include them in the agreement or deed of sale.

IV.

Registration of Land and charges thereon

All such conveyances or Leases of Land, so purchased as aforesaid shall within one month from the time of the completion of the sale be registered in the office of the Consular Representative of the purchaser; and all charges by way of mortgage, whether of a legal, or equitable character shall also be registered in the like manner, and within one month of their execution.

V.

Transfers of lots, when to be registered.

That all transfers of Land shall be made at the Consulate where the deeds are registered, and also be registered at that of the vendee or assignee.

VI.

Land surrendered to Public use.

It is understood and agreed that land heretofore surrendered by the various foreign renters to public use, such as roads and the beach grounds of the rivers within the aforesaid limits, shall remain henceforth dedicated to the same uses; and as new lots are acquired, such parts thereof as are beach ground shall be held under and subject to similar uses; and due provision shall be made for the extension of the lines of roads at present laid down as means of communication in the settlement. To this end the Council appointed by the Land Renters and others entitled to vote on the terms and in the manner hereinafter mentioned within the boundaries referred to, will at the beginning of each year, examine the map, and determine what new lines of road are necessary; and all land subsequently rented shall only be rented on the terms of the renter surrendering to the Public use the beach ground aforesaid, if any, and the land required for such roads; and in no case shall land so surrendered or which shall now be dedicated to the use of the public be resumed, except with the consent of the proper majority of Land Renters and others who may be entitled to vote as aforesaid in Public meeting assembled, nor shall any act of ownership be exercised over the same by the renters thereof, notwithstanding any payment by them to the Chinese Government of any ground rent. Provided always, that no act of appropriation or dedication for public uses of the said beach ground, or of ground for roads, other than those already defined, shall, contrary to the will of the renters thereof, in any case, be sanctioned or held lawful under these regulations. On the admission by vote of Public meeting of any tracts of land into the limits of the Municipal Authority, the Municipal Council shall give notice of all roads and

V.

All transfers of Land shall be made at the Consulate where the deeds are registered, and also be registered at that of the vendee or assignee, and notice of the same shall be lodged by the Consul with the Municipal Council.

public properties which they intend to set aside in the general interest; and should, any citizen or subject of a Treaty power, who may previously have acquired land within such tracts, object to any part of the reservation thus notified, he must, within fourteen days after the issue of the notice, warn his own Consul, or the Municipal Council of his objection, in order that steps may be taken to adjust the claim. Provided always that in the event of a failure to effect such adjustment on terms which may appear reasonable to the Consul, the Council shall have the option of declining to accept jurisdiction over the proposed annexation, which consequently cannot take place. It shall also be lawful for the Land Renters and others who may be entitled to vote as hereinafter mentioned, in Public Meeting assembled, to purchase land leading or being out of the Settlement, or to accept Land from Foreign or Native owners upon terms to be mutually agreed upon between the Council and such Foreign or Native owners, for the purpose of converting the same into roads or public gardens and places of recreation and amusement, and it shall be lawful for the Council from time to time to apply such portion of the Funds raised under Article IX of these Regulations, for the purchase, creation and maintenance of such roads, gardens, &c., as may be necessary and expedient. Provided always that such road and gardens shall be dedicated to the public use, and for the health, amusement and recreation of all persons residing within the Settlement.

VII.

Boundary Stones to be placed.

When land is rented, stones having the number of the lot distinctly cut thereon, in English and Chinese must be placed to define the boundaries thereof, under the supervision of the Consul applying for the land, and of the Chinese local authorities. A time will be named for the boundary stones to be fixed, in the presence of an Officer deputed by the Consul, of the Tepaou of the district, and of the Chinese proprietors and the renter, in such manner that they may not interfere with the lines of road or the boundaries; or in any other way give cause for litigation and dispute hereafter.

VIII.

Chinese Land Tax when payable.

The Annual Rent on all lands leased by Foreigners, reserved to the Chinese Government, shall be payable in advance on the 15th day of the 12th moon of each year. And all rent in arrear and unpaid on that day shall be recoverable in a summary manner, on the complaint of the Intendant of Circuit in the Court of the Consular representative of the defaulting renter.

IX.

Roads and Jetties, Assessment on Land and House, Rates, Dues, and Taxes.

It being expedient and necessary for the better order and good government of the settlement, that some provision should be made for the making of roads, building public jetties, offices and bridges, and keeping them in repair, and for cleansing, lighting, watering, and draining the settlement generally, and establishing a watch or police force therein, paying the persons necessarily employed in any Municipal office or capacity, or for raising money by way of loan for any of the purposes

aforesaid, the foreign Consuls shall so soon after the first day of April in each year, or when it may appear to them needful, or on the requisition of the Municipal Council, or of the Renters of Land and others entitled to vote on the terms hereinafter mentioned, convene a meeting of such persons to devise ways and means of raising the requisite funds for these purposes; and at such meeting it shall be competent to the said persons or a majority of them in public meeting duly assembled to declare an assessment in the form of a rate to be made on the said land or buildings, provided always that the proportion between the tax on land, and on houses or buildings shall not exceed *one-twentieth* of *one per cent* on the gross value of land to *one per cent* on the annual rental of houses; and it shall also be competent for the said persons, or a majority of them as aforesaid, to impose other rates and taxes in the form of dues on all goods landed or shipped or transhipped through the Chinese Custom House at any place within the said limits; provided the said rates or taxes levied in the form of dues shall in no case exceed the amount of *one tenth of one per cent* on the value of the goods landed, shipped or transhipped, and in such other forms as may appear requisite and necessary for the purposes aforesaid.

Consuls to convene Meetings of Renters and other persons entitled to vote.

X.

And whereas it is expedient that the said Land Renters and others as aforesaid in public meeting duly assembled, under and in accordance with the provisions of the preceding article, should appoint in the mode hereinafter provided an Executive Committee or Council, to consist of not more than NINE PERSONS, for the purpose of levying the rates, dues and taxes hereinbefore mentioned, and applying the funds realized from the same for the purposes aforesaid, and for carrying out the regulations now made; Be it further ordered that such Committee when appointed shall have full power and authority to levy and apply such rates, dues and taxes, for purposes aforesaid, and shall have power and authority to sue for all arrears of such rates, dues and taxes, and recover, the same from all defaulters in the Courts under whose jurisdiction such defaulters may be.

Land Renters and others to appoint Committee or Council.

XI.

When in pursuance of these Regulations the above mentioned Committee or Council shall be duly elected, all the power, authority and control conferred by the Bye-laws now sanctioned and annexed to these Regulations, and all the rights and property which by such Bye-laws are declared to belong to any Committee or Council, elected as aforesaid, shall vest in and absolutely belong to such Committee or Council, and to their successors in office and such successors as are duly elected, and such Committee shall have power and authority from time to time to make other Bye-laws for the better enabling them to carry out the object of these Regulations, and to repeal, alter or amend any such Bye-laws, provided such other Bye-laws be not repugnant to the provisions of these Regulations, and be duly confirmed and published; and provided also that no Bye-law made by the

Committee to have power to make Bye-Laws.

IX.

It being expedient and necessary for the better order and good government of the settlement, that some provision should be made for the appointment of an executive Committee or Council and for the construction of public works, and keeping the same in repair, and for cleansing, lighting, watering, and draining the settlement generally, establishing a watch or police force therein, purchasing and renting lands, houses, and buildings for Municipal purposes, paying the persons necessarily employed in any Municipal office or capacity, and for raising money when necessary by way of loan or otherwise for any of the purposes aforesaid, the Foreign treaty Consuls, or a majority of them shall during the month of April or May in each year, and so early in the same as possible fix the day for the election of the Executive Committee or Council in manner hereinafter provided, giving 14 days notice of the same, and shall also during these said months give notice of a public meeting to be held within 21 days of such notice to devise ways and means of raising the requisite funds for these purposes; and it shall be competent to such meeting duly assembled or a majority thereof including proxies for absent owners of Land, to declare an assessment in the form of a rate to be made on the said land or buildings, provided always that the proportion between the tax on land, and on houses or buildings shall not exceed *one-twentieth* of *one per cent* on the gross value of land to *one per cent* on the annual rental of houses; and it shall also be competent to the said meeting, or a majority thereof as aforesaid to impose other rates and taxes in the form of dues on all goods passed through the Chinese Custom house by any person or persons resident within the said limits, or landed, shipped or transhipped at any place within the said limits, provided the said rates or taxes levied in the form of dues shall in no case exceed the amount of *one tenth of one per cent* on the value of the goods so passed, landed, shipped or transhipped, and in such other forms as may appear requisite and necessary for the purposes aforesaid.

X.

And whereas it is expedient that the said Land Renters and others entitled to vote on the terms hereinafter mentioned in public meeting duly assembled, under and in accordance with the provisions of the preceding article, should appoint in the mode hereinafter provided an Executive Committee or Council, to consist of not more than NINE nor less than FIVE PERSONS, for the purpose of levying the rates, dues and taxes hereinbefore mentioned, and applying the funds realized from the same for the purposes aforesaid, and for carrying out the regulations now made. Be it further ordered that such Committee when appointed shall have full power and authority to levy and apply such rates, dues and taxes, for the purposes aforesaid, and shall have power and authority to sue for all arrears of such rates, dues and taxes, and recover, the same from all defaulters in the Courts under whose jurisdiction such defaulters may be, and shall also have power to enter and distrain on lands and tenements, and to seize and sell goods in respect of which rates, dues and taxes are in arrear or unpaid.

XI.

When in pursuance of these Regulations the above mentioned Committee or Council shall have been duly elected, all the power, authority and control conferred by the Bye-laws now sanctioned and annexed to these Regulations, and all the rights and property which by such Bye-laws are declared to belong to any Committee or Council, elected as aforesaid, shall vest in and absolutely belong to such Committee or Council, and to their successors in office and such successors as are duly elected, and such Committee shall have power and authority from time to time to make other Bye-laws for the better enabling them to carry out the object of these Regulations, and to repeal, alter or amend any such Bye-laws, provided such other Bye-laws be not repugnant to the provisions of these Regulations, and be duly confirmed and published; and provided also that no Bye-laws made by the Committee, under the authority of these Regulations, except such as relate solely to their Council, or their officers or servants, shall come into operation until passed and approved by the Consuls and Ministers of Foreign Powers having treaties, or a majority of them, and the rate-payers in special meeting assembled; of which Meeting and the object of it, ten days' notice shall be given.

Committee, under the authority of these regulations, except such as relate solely to their Council, or their officers or servants, shall come into operation until passed and approved by the Consuls and Ministers of Foreign Powers having treaties, and the rate-payers in special Meeting assembled; of which Meeting and the object of it, *ten days'* notice shall be given.

XII.

How accounts to be audited.

And whereas it is also expedient that due provision should be made for the auditing of the accounts of the said Committee and for the obtaining the approval and sanction of them by the rate-payers in public meeting duly assembled. Be it ordered that the result of the said audit shall be made known and the said sanction and approval shall be made at the Annual Public Meeting convened by the Consuls as hereinbefore mentioned.

XIII.

How defaulters to be sued.

And be it further ordered that it shall be lawful for the said Committee, or their Secretary, to sue all Defaulters in the payment of all Assessments, Rates, Taxes and Dues, whatsoever, levied under these Regulations, and of all Fines and Penalties leviable under the Bye-Laws annexed to them, in the Consular or the Courts under whose jurisdiction such Defaulters may be and to obtain payment of the same by such means as shall be authorized by the Courts in which such Defaulters are sued. Provided that in case any one or more of the said Defaulters or Owners, Shippers or Consignees of goods refusing to pay, have no Consular Representative at Shanghai, the said Committee shall, with the consent of the Local Authorities, be at liberty to detain and sell such portion of the goods, or use such other means as, with the consent of the Local Authorities, may be necessary to obtain such payment of such Assessments, Rates, Taxes, Dues, Fines, and Penalties or in respect of Land or House Assessment to distrain on the Land or Houses to such extent as may be required to satisfy such assessment or dues.

XIV.

How penalties, licenses &c under Bye-laws are to be recovered.

Be it also further ordered that any penalty or forfeiture or fees on Licenses provided for in the Bye-laws framed under the authority of these Regulations, and imposed in pursuance of such Bye-laws, may be recovered by summary proceedings before the proper Consular or other authority, and it shall be lawful for such authority upon conviction to adjudge the offender to pay the penalty or incur the forfeiture as well as the costs attending the conviction, as such authority may think fit. All Fines and Penalties levied under these Regulations and the Bye-laws framed and to be framed under them, shall be carried to the credit of the Committee in diminution of the general expenditure authorized by the provisions of these Regulations.

XV.

Consuls may at any time call meeting of Land Renters and others, &c.

Be it further ordered that it shall be competent for the Foreign Consuls, collectively or singly, when it may appear to them needful, or at the requisition of the electors of land or buildings to call a public meeting at any time, giving ten days' notice of the same, setting forth the business upon which it is convened, for the consideration of any

XIII

And it is further ordered that it shall be lawful for the said Committee, or their Secretary, to sue all Defaulters in the payment of all Assessments, Rates, Taxes and Dues, whatsoever, levied under these Regulations, and of all Fines and Penalties leviable under the Bye-laws annexed to them in the Consular or the Courts under whose jurisdiction such Defaulters may be and to obtain payment of the same by such means as shall be authorized by the Courts in which such Defaulters are sued. Provided that in case the Committee or Council shall be unable to discover the owner of goods in respect of which assessments rates, dues or taxes are in arrear or unpaid or whose said owner shall be beyond the jurisdiction of the Consular or judicial authorities, or where any one or more of the said Defaulters or Owners, Shippers or Consignees of goods refusing to pay, have no Consular Representative at Shanghai, the said Committee shall, with the consent of the Local Authorities, be at liberty to detain and sell such portion of the goods, or use such other means as, with the consent of the Local Authorities, may be necessary to obtain such payment of such Assessments, Rates, Taxes, Dues, Fines, and Penalties or in respect of Land or House Assessment to distrain on the Land or Houses to such extent as may be required to satisfy such assessment or dues.

matter or thing connected with the Municipality, provided always such requisition shall be signed by not less than ten of the said electors, and that it set forth satisfactory ground for such request. And all resolutions passed by a majority at any such public meeting, on all such matters aforesaid shall be valid and binding upon the whole of the said electors, if not less than one-third of the said electors are present or represented. At such meeting the Senior Consul present shall take the chair, and in the absence of a Consul, then such elector as the majority of voters present may nominate. In all cases in which electors in public meeting assembled as herein provided decide upon any matter of a Municipal nature, not already enumerated, and affecting the general interests, such decision shall first be reported by the Chairman to the Consuls for their concurrence and approval, and unless such approval be officially given, such resolution shall not be valid and binding. Provided always that a term of ten days shall elapse between the date of the Resolution, and the signification of approval by the Consuls, during which time any person considering himself prejudiced in property or interests by the Resolution may represent his case to the Consuls for their consideration. After the expiration of the term of two months the Consular approval, if signified, shall be considered binding.

XV.

Be it further ordered that it shall be competent for the Foreign Consuls, collectively or singly, when it may appear to them needful, or for the electors provided not less than twenty-five agree in writing so to do to call a public meeting at any time, giving ten days' notice of the same, setting forth the business upon which it is convened, for the consideration of any matter or thing connected with the Municipality. And all resolutions passed by a majority at any such public meeting, including proxies for absent owners of Land, on all such matters as aforesaid shall be valid and binding upon the whole of the said electors, if not less than one-third of the electors are present or represented. At such meeting the Senior Consul present shall take the chair, and in the absence of a Consul, then such elector as the majority of voters present may nominate. In all cases in which electors in public meeting assembled as herein provided decide upon any matter of a Municipal nature, not already enumerated, and affecting the general interests, such decision shall first be reported by the Chairman to the Consuls for their concurrence and approval, and unless such approval be given, such resolution shall not be valid and binding. Provided always that a term of ten days shall elapse between the date of the Resolution, and the signification of approval by the Consuls, during which time any person considering himself prejudiced in property or interests by the Resolution may represent his case to the Consuls for their consideration. After the expiration of the term of two months the Consular approval, if signified, shall be considered binding.

Cemeteries for Foreigners, Chinese Graves, etc.

XVI.

Within the said limits, lands may be set apart for Foreign cemeteries. In no case shall the graves of Chinese on land rented by foreigners be removed, without the express sanction of the families to whom they belong, who also, so long as they remain unmoved, must be allowed every facility to visit and sweep them at the established period, but no coffins of Chinese must hereafter be placed within the said limits, or be left above ground.

XVII.

Breach of Regulations.

Hereafter, should information of a breach of these regulations be lodged with any Foreign Consul or should the local authorities address him thereon, he may in every case within his jurisdiction summon or cause to be summoned the offender before him, and if convicted, punish him or cause him to be punished summarily, either by a fine not exceeding THREE HUNDRED DOLLARS, or by imprisonment not exceeding SIX MONTHS, or in such other manner as may seem just. Should any Foreigner, who has no Consular authority at Shanghai, commit a breach of the said Regulations, then and in such case the Chinese chief authority may be appealed to, by the Council through one or more of the Foreign Consuls to uphold the regulations in their integrity, and punish the party so infringing them.

XVIII.

Nomination and voting for Council.

It shall be competent to any two Rate Payers entitled to vote, to nominate any duly qualified Rate Payer for election as a member of the Council, and all such nominations shall be sent in, in writing, with the signatures of the proposer, and se-

XVIII.

It shall be competent to any two persons being Foreigners entitled to vote, to nominate any duly qualified person for election as a member of the Council, and all such nominations shall be sent in, in writing, with the signature of the proposer and seconder, as also the written assent to serve of the candidates proposed at least seven days before the day appointed for the election, to the Secretary or other officer appointed by the existing Council to receive such nomination.

conder as also the assent in writing of the candidates proposed that they will serve if elected, at least fourteen days before the day appointed for the election, to the Secretary or other officer appointed by the existing Council to receive such nomination.

On the day after the expiration of the time allowed for sending in such nominations, as aforesaid, the existing Council shall cause a list of the Rate Payers proposed for election to be advertized in the Public Journals, and shall likewise cause such list to be exhibited thenceforward until the day of election in some conspicuous place in the Council Room between the hours of 10 A.M. and 4 P.M.

On the day appointed for the election should the number of Rate Payers proposed for election as Councillors exceed nine, two officers appointed by the existing Council for the purpose shall attend at the place appointed for the election to receive the votes of the Rate Payers. These Officers shall be provided with a list of all the Rate Payers duly qualified to vote and shall give to each *such Rate Payers as may be present** and may require it, a voting card or paper containing a list of the Rate Payers proposed for election. The voter shall then mark on such voting lists the names of any number of persons, not exceeding nine, for whom he intends to vote, and shall deposit the list, signed by himself with his own name so marked, in a closed Box provided for the purpose of receiving such list.

The Poll shall remain open for two consecutive days from 10 A.M. to 3 P.M. at which hour on the second day, the Poll shall be closed. Immediately upon the close of the Poll two scrutineers appointed by the Council shall without delay proceed to open the Box or Boxes, examine the voting lists and declare the names of the nine Rate Payers who have the greatest number of votes and who shall thereupon be considered duly elected as the Council for the ensuing Municipal year.

Should the number of names proposed for election be exactly nine is shall not be necessary to have a poll, but, on the day after the expiration of the time appointed for sending in nominations, the existing Council shall advertize and make known the names of nine Rate Payers proposed, and they shall be considered to be duly elected as the Council for the ensuing Municipal year.

Should the number of names proposed for election be less than nine, then on the day after the expiration of the time appointed for sending in nominations the existing Council shall advertize and make known the names of the Rate Payers to be held on the day appointed for the election, at which meeting the Rate Payers present shall proceed to elect either by ballot or otherwise as they may then decide as many more Rate Payers as may be requisite to make the number before proposed up to nine, and such nine Rate Payers shall be considered duly elected as the Council for the ensuing Municipal year.

* Under these Regulations voting *by proxy* is practically prevented as THE RATE PAYER *must be present.*

On the day after the expiration of the time allowed for sending in such nominations, as aforesaid, the existing Council shall cause a list of the Rate Payers proposed for election to be advertized in the Public Journals, and shall likewise cause such list to be exhibited thenceforward until the day of election in the Council Room, and other Public places.

Should the number of names proposed for election be exactly nine or less than nine and more than four, it shall not be necessary to have a poll but, on the day after the expiration of the time appointed for sending in nominations, the existing Council shall advertize and make known the names of the nine or less a number of Rate Payers proposed, and they shall be considered to be duly elected as the Council for the ensuing Municipal year.

Should the number of names proposed for election be less than five, then on the day after the expiration of the time appointed for sending in nominations, the existing Council shall advertize and make known the names of the Rate Payers to be held on the day appointed for the election, at which meeting the Rate Payers present shall proceed to elect either by ballot or otherwise as they may then decide as many more Rate Payers as may be requisite to make the number before proposed up to five at the least, and such five or more Rate Payers shall be considered duly elected as the Council for the ensuing Municipal year.

XIX.

Election of Council and qualifications of voters at Public meetings.

Every foreigner, either individually or as a member of a firm, residing in the Settlement, having paid all taxes due, whose annual payment of assessment on land or houses or both, exclusive of all payments in respect of licenses, shall amount to the sum of Tls. 20 and upwards, or who shall be a householder paying a rental of not less than Tls. 700 per annum and upwards, shall be entitled to vote in the election of the said members of the Council and at the public meetings, and none shall be qualified to be a member of the said Council unless he shall pay annual assessment, exclusive of licenses, of Tls. 50, or shall be a householder paying a rental of Tls. 1,800 per annum. Provided always that this clause shall not entitle any firm to more than one vote.

A list of persons duly qualified to vote according to the Regulations to which these Bye-Laws are appended shall be kept at the office of the Council, and such list shall be revised and corrected by the Secretary of the Council on the first day of March in each year, or so soon after as may be convenient, and published for the information of the public in such manner as the Council for the time being shall think proper.

XX.

Vacancies.

In case of a vacancy or vacancies occurring during the Municipal year, the existing Council shall have the power to fill up such vacancy or vacancies by the vote of the majority of the Council, providing such vacancies do not exceed three in number.

Should the vacancies exceed three an election of the whole number of new members who have not been originally elected shall be called in the manner previously provided in respect of an election when the numbers proposed were less than nine.

XXI.

Tenure of Office.

The Council shall enter upon their office so soon after the accounts of the retiring Committee shall have been audited and passed at the annual meeting in April, mentioned in Article IX ; and at their first meeting the new Council shall elect a Chairman and Vice Chairman, who shall hold office for one year. In their temporary absence, the members present at any meeting of the Council, shall elect their Chairman for such meeting.

XXII.

Questions and Quorum.

On all questions in which the members of the Council present are equally divided in opinion, the Chairman shall have a second or casting vote. Five members of the Council shall constitute a quorum for the despatch of business.

XXIII.

Committees.

The Council may from time to time appoint out of their own body such and so many committees, consisting of such number of persons as they shall think fit, for all or any of the purposes wherein they are empowered to act, which in the discretion of the Council, would be better regulated and managed by means of such Committees ; and may fix the quorum of such Committees.

XXIV.

Officers.

The Council may from time to time appoint such officers and servants as they think necessary for carrying out these

XIX.

Every foreigner either individually or as a member of a firm, residing in the Setttlement having paid all taxes due, and being an owner of land of not less than Tls. 500 in value whose annual payment, of assessment on land or houses or both, exclusive of all payments in respect of licences, shall amount to the sum of Tls. 10 and upwards, or who shall be a householder paying on an assessed rental of not less than Tls. 500 per annum and upwards, shall be entitled to vote in the election of the said members of the Council and at the public meetings, and no one shall be qualified to be a member of the said Council unless he shall pay annual assessment, exclusive of licenses, of Tls. 50, or shall be a householder paying on an assessed rental of Tls. 1,200 per annum. Provided always that this clause shall not entitle any firm to more than one vote.

XX.

In case of vacancy or vacancies occuring during their tenure of office, the existing Council shall have the power to fill up such vacancy or vacancies by the vote of the majority of the Council, providing such vacancies do not exceed three in number.

Should the vacancies exceed three, an election of the whole number of new members who have not been originally elected shall be called in the manner previously provided by article 18.

XXI.

The Council shall enter upon their office as soon as the accounts of the retiring Committee shall have been audited and passed at the annual meeting mentioned in Article IX, and shall remain in office until their own accounts have been duly audited and accepted, and their successors assume direction. At their first meeting the new Council shall elect a Chairman and Vice Chairman, who shall hold office for one year. In their temporary absence, the members present at any meeting of the Council, shall elect their Chairman for such meeting.

XXII.

On all questions in which the members of the Council present are equally divided in opinion, the Chairman shall have a second or casting vote. Three members of the Council shall constitute a quorum for the despatch of business.

regulations, and fix the salaries, wages and allowances of such officers and servants and may pay the same out of the Municipal Funds, and make rules and regulations for the government of such officers and servants, and may discontinue or remove any of them from time to time as they shall think fit.

XXV.

Funds.

The Council shall administer the Municipal Funds for the public use and benefit, at their discretion, provided they do not exceed the sum voted at the annual meeting, or any special meeting called to vote expenses, and a statement shall be drawn up by them at the end of each year for which the Council has been elected, shewing the nature and amount of the receipts and disbursements of the Municipal Fund for that year, and the said statement shall be published for general information.

XXVI.

Persons acting in execution of these regulations not to be personally liable.

No matter or thing done, or contract entered into, by the Council, nor any matter or thing done by any member, thereof, or by the Secretary, Surveyor, Superintendent of Police or other officer or person whomsoever, acting under the direction of the Council, shall, if the matter or thing were done, or the contract entered into bonâ fide, for the purpose of executing these regulations, subject them, or any of them, personally to any action, liability, claim or demand whatsoever; and any expense properly and with due authority, incurred by the Council, Member, Secretary, Surveyor, Superintendent of Police or other officer or person acting as last aforesaid shall be borne and repaid out of the rates levied under the authority of these regulations.

XXVII.*

And be it further ordered that the executive Committee or Council may sue and be sued in the name of their Secretary for the time being or in their corporate capacity or character as "Council for the Foreign Community of Shanghai" and such Committee, Council or Secretary shall have all the rights and privileges which private complainants have to recover and enforce judgments obtained by them, and shall also incur the obligations which private defendants have in proceedings at law or suits in equity commenced against them, provided that the individual members of the Council or their Secretary shall not be personally responsible, but only the property of the Council, and all proceedings against the said Council or their Secretary shall be commenced and prosecuted in Her Britannic Majesty's Supreme Court for China and Japan.

XXIV.

The Council may from time to time appoint such officers and servants as they think necessary for carrying out these regulations and fix the salaries, wages and allowances of such officers and servants and may pay the same out of the Municipal Funds, and make rules and regulations for the government of such officers and servants and may discontinue or remove any of them from time to time as they shall think fit. Provided always that no officers shall be appointed for any longer period than three years unless the said appointment together with the salary appertaining thereto be sanctioned by a public meeting of the electors duly convened.

XXV.

The Council shall administer the Municipal Funds for the public use and benefit, at their discretion, with due regard to the Budget passed, provided they do not exceed the sum voted at the annual meeting, or any special meeting called to vote expenses, and a statement shall be drawn up by them at the end of each year for which the Council has been elected, shewing the nature and amount of the receipts and disbursements of the Municipal Fund for that year, and the said statement shall be published for general information, at least ten days previous to the annual meeting hereinbefore mentioned.

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* *That it is the opinion of the meeting that some provision should be made under which the Municipal Council may be sued as a body, and that the Consuls should take the matter into consideration in their examination of the rules, with a view to effecting this object.*
(Carried nem. con.)

XXVIII.

Amendment of Regulations hereafter.

Hereafter should any corrections be requisite in these regulations, or should it be necessary to determine on further rules or should doubts arise as to the construction of, or powers conferred thereby, the same must be consulted upon and settled by the Foreign Consuls and Intendant of Circuit in communication together, who shall equitably decide thereon and submit the same for confirmation, to the repr esentatives of their respective countries in China, and for the sanction of the Chinese government.

That Land Renters and Rate payers shall be taken to mean "Electors."

XXIX.

That the words "Renters of Land and Rate payers," wherever they occur in the foreging Regulations shall, where not otherwise indicated by the connection in which they occur, be taken to mean ELECTORS entitled to vote according to the terms of Art XIX.

XXVIII.

Hereafter should any corrections be requisite in these regulations, or should it be necessary to determine on further rules or should doubts arise as to the construction of, or powers conferred thereby, the same must be consulted upon and settled by the Foreign Consuls and Local Chinese Authorities, subject to confirmation by the Foreign representatives and supreme Chinese government at Peking.

ERRATA.

BYE LAWS.

II. *Powers to make Sewers and Drains.*—On the 22 and 23 line after the words "making compensation" add "*as aforesaid.*"

IX. *Council shall be Surveyors of highways.*—On the 7 line read "Surveyors of Highways as are *usually* invested" for "Surveyors of Highways as are invested."

XXIV. *Obstruction of Streets.*—Read the 27 line thus "fixed at a Meeting of the Electors."

XXV. *Cleansing Streets.*—On the 4 line insert after the words "shall require," *and* "after the receipt of notice served upon them."

XXVII. *Stagnant Pools.*—On 8 line after the word "Settlement" add "so as to be a nuisance," on 27 line after the words, said limits, add "so as to be a nuisance."

XXXIV. *Licenses.*—Per line 15 read "may be authorized at the lawful meetings held under the regulations."

BYE-LAWS.

I.—Control and management of sewers and drains.
II.—Power to make sewers and drains.
III.—Power to enlarge and alter sewers and drains.
IV.—Penalty on any unauthorized person for making any drain flow into public sewers without consent of Council.
V.—No person to build over any public sewer without consent of Council.
VI.—Sewers and drains to be provided with traps.
VII.—Expense of maintaining and cleansing sewers and drains.
VIII.—No one to build or rebuild a house until a covered drain be constructed.
IX.—Council shall be Surveyors of highways.
X.—Management of streets and the repairs thereof to vest in Council.
XI.—Council may stop up any street pending construction, &c., of a sewer.
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XIII.—Council may alter situation of Gas or Water Pipes.
XIV.—Water spouts to be affixed to houses or buildings.
XV.—Penalty for not lighting deposits of building materials or excavations.
XVI.—Penalty for continuing deposits of building materials or excavations an unreasonable time.
XVII.—Dangerous places to be repaired or enclosed.
XVIII.—Cleansing streets—Council to cause streets to be cleansed, and dust and ashes to be removed from the houses.
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XX.—Ruinous Buildings.
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XXV.—Cleansing Streets.
XXVI.—Conveyance of offensive matter.
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XXVIII.—Regulation to prevent accumulation of Dung, &c.
XXIX.—Certificate of the Officer of Health, Filth to be removed.
XXX.—Houses to be whitewashed and purified, on Certificate of Officer or Health, &c.
XXXI.—Council may order nuisances to be abated.
XXXII.—Observations of Scavenger.
XXXIII.—Dangerous Buildings.
XXXIV.—Licences.
XXXV.—Disturbance in Streets.
XXXVI.—Lamps.
XXXVII.—Carrying Arms.
XXXVIII.—Transient Offender
XXXIX.—Penalty for disobedience of Order in Council.
XL.—Bye-Laws.
XLI.—Penalty to be summarily recovered.
XLII.—Publication of Bye-Laws.

BYE-LAWS.

ANNEXED *to the* LAND MUNICIPAL REGULATIONS *for the* FOREIGN QUARTER *of* SHANGHAI. *This day of* 186 .

I.

Control and management of sewers and drains.

The entire control and management of all public sewers and drains within the limits of *these Regulations*, and all sewers and drains in and under the streets, with all the works and materials thereunto belonging, whether made at the time *these Regulations* become valid or at any time thereafter, and whether made at the cost of the Council or otherwise, shall vest in and belong to the Council.

II.

Powers to make sewers and drains.

The Council shall, from time to time, cause to be made under the streets such main and other sewers as shall be necessary for the effectual draining of the town or district within the limits of the Settlement and also all such reservoirs, sluices, engines, and other works as shall be necessary for cleaning such sewers, and if needful they may carry such sewers through and across all or any of the streets, doing as little damage as may be, and making compensation to be determined by arbitration or recoverable in the manner provided by the Land Regulations, for any damage done; and if for completing any of the aforesaid works it be found necessary to carry them into or through any inclosed or other lands, the Council may after reasonable notice carry the same into or through such lands accordingly, making compensation to the owners and occupiers thereof, and they may also cause such sewers to communicate with and empty themselves into the river, or they may cause the refuse from such sewers to be conveyed by a proper channel to the most convenient site for collection and sale for agricultural or other purposes, as may be deemed most expedient, but so that the same shall in no case become a nuisance.

III.

Power to enlarge and alter sewers and drains.

The Council may from time to time as they see fit, enlarge, alter, arch over and otherwise improve all or any of the sewers vested in them; and if any of such sewers at any time appear to them to have become useless, the Council, if they think fit to do so, may demolish and discontinue such sewers, provided that it be so done as not to create a nuisance.

IV.

Penalty on any unauthorized person for making any drain flow into a pulic sewer without consent of Council.

Every person, not being employed for that purpose by the Council, who shall make any drain into any of the sewers or drains so vested in the Council, shall forfeit to the Council a sum not exceeding ONE HUNDRED DOLLARS, and the Council may cause such branch drain to be re-made as they think fit and all the expense incurred thereby shall be paid by the person making such branch drain, and shall be recoverable by the Council as damages.

V.

No person to build over any public sewer without consent of Council.

No sewer or drain shall be made, or any building be erected over any sewer belonging to the Council, without the consent of the Council first obtained in writing; and if after the passing of the *Revised Land Regulations* any sewer or drain be made or any building be erected contrary to the provisions herein contained, the Council may demolish the

same, and the expenses incurred thereby shall be paid by the person erecting such building, and shall be recoverable as damages.

VI.

Sewers and drains to be provided with traps.

All sewers and drains within the limits of these Regulations, whether public or private, shall be provided by the Council or other persons to whom they severally belong, with proper traps or other coverings or means of ventilation, so as to prevent stench.

VII.

Expense of maintaining and cleansing all sewers and drains.

The expense of maintaining and cleansing all sewers, not hereinbefore provided for, shall be defrayed out of the rates and taxes to be levied under Article IX. of the Land Regulations.

VIII.

No one to build or rebuild a house until a covered drain be constructed.

It shall not be lawful to erect any house in the Settlement, or to re-build any house in the Settlement, until a drain or drains be constructed of such size and materials, and at such level, and with such fall, as upon the report of the Surveyor made to the Council shall appear to be necessary and sufficient for the proper and effectual drainage of the same and its appurtenances; such Report to be made within FOURTEEN DAYS after notice is given to the said Surveyor of the proposed erection or re-building, and in default thereof all parties shall be at liberty to proceed with any such erection or building as if no such report were required; and if a sewer of the Council, or a sewer which they are entitled to use, be within one hundred feet of any part of the site of the house to be built or rebuilt, the drain or drains so to be constructed shall lead from and communicate with such sewer as the Council shall direct; or if no such means of drainage be within that distance, then the last mentioned drain or drains shall communicate with and be emptied into such covered cesspool or other place not being under any house and not being within such distance from any house, as the Council shall direct; and whosoever erects or rebuilds any house, or constructs, any drains contrary to this Bye-Law, shall be liable for every such offence to a penalty not exceeding TWO HUNDRED AND FIFTY DOLLARS; and if at any time, upon the report of the Surveyor, it appear to the Council that any house whether built before or after the passing of this Bye-Law is without any drain, or without such a drain or drains communicating with a sewer, as is or are sufficient for the proper and effectual drainage of the same and its appurtenances, and if a sewer of the Council, or a sewer which they are entitled to use, be within one hundred feet of any part of such house, they shall cause notice in writing to be given to the owner or occupier of such house, requiring him forthwith or within such reasonable time as shall be specified therein to construct and lay down, in connection with such house, one or more drain or drains, of such materials and size, at such level, and with such fall, as upon the last mentioned report shall appear to be necessary; and if such notice be not complied with, the Council may, if they shall think fit, do the works mentioned or referred to therein; and the expenses incurred by them in so doing if not forthwith paid by the owner or occupier, shall be de-

frayed by the Council, and by them be recovered from the owner of the house in the same manner as a penalty under these Bye-Laws is recoverable.

IX.

Council shall be Surveyors of highways.

The Council and none other shall be Surveyors of all highways within the limits of the aforesaid Regulations and within those limits shall have all such powers and authorities, and be subject to all such liabilities, as any Surveyors of highways are invested with.

X.

Management of streets and the repairs thereof to vest in Council.

The management of all the public streets and the laying out and repairing thereof on passing of the Revised Regulations, or which thereafter may become public highways, and the pavements and other materials, as well in the footways as carriage ways of such public streets, and all buildings, materials, implements, and other things provided for the purposes of the said highways shall belong to the Council.

XI.

Council may stop up any street pending construction, &c., of a sewer.

The Council may stop any street, and prevent all persons from passing along and using the same, for a reasonable time during the construction, alteration, repair or demolition of any sewer or drain in or under such street; so long as they do not interfere with the ingress or egress of persons or foot to or from their dwellings or tenements.

XII.

Penalty on making unauthorised alterations in streets.

Every person who wilfully displaces, takes up, or makes any alteration in the pavement, flags or other materials of any street under the management of the Council, without their consent in writing or without other lawful authority, shall be liable to a penalty not exceeding TWENTY-FIVE DOLLARS and also a further sum not exceeding ONE DOLLAR for every square foot of the pavement, flags or other materials of the street so displaced, taken up or altered.

XIII.

Council may alter situation of gas or water pipes.

For the purposes of the aforesaid regulations, if the Council deem it necessary to raise, sink, or otherwise alter the situation of any waterpipe or gaspipe, laid in any of the streets, they may from time to time by notice in writing, require the person or persons to whom any such pipes or works belong, to cause forthwith, as soon as conveniently may be, any such pipes or works to be raised, sunk, or otherwise altered in position in such manner as the Council direct; provided that such alteration be not such as permanently to injure such works or to prevent the water or gas from flowing as freely and conveniently as before; and the expenses attending such raising, sinking, or altering, and compensation for every damage done thereby shall be paid by the Council, out of the rates and taxes levied under the Regulations aforesaid.

If the person or persons to whom any such pipes or works belong do not proceed forthwith, or as soon as conveniently may be after the receipt of such notice, to cause the same to be raised, sunk or altered, in such manner as the Council require, the Council may themselves, but then at the costs and charges of the person or persons to whom the pipes or works belong, such costs and charges to be recoverable in the same way as the Penalties enacted under these Bye-Laws, cause such pipes or works to be raised, sunk, or altered as they think fit; pro-

vided that such works be not permanently injured thereby, or the water or gas prevented from flowing as freely and conveniently as before.

XIV.

Water spouts to be affixed to houses or buildings.

The occupier of every house or building in, adjoining, or near to any street, shall within fourteen days next after service of an order of the Council for that purpose, put up and keep in good condition a shoot or trough of the whole length of such house or building and shall connect the same either with a similar shoot on the adjoining house or with a pipe or trunk to be fixed to the front or side of such building from the roof to the ground to carry the water from the roof thereof in such manner that the water from such house or any portico or projection therefrom shall not fall upon the persons passing along the street or flow over the foot-path, and in default of compliance with any such order within the period aforesaid, such occupier shall be liable to a penalty not exceeding TEN DOLLARS for every day that he shall so make default.

XV.

Penalty for not lighting, deposits of building material or excavations.

When any building materials or other things are laid, or any hole made in any of the streets, whether the same be done by order of the Council or not, the person or persons causing such materials or other things to be so laid or such hole to be made, shall at his own expense cause a sufficient light to be fixed in a proper place upon or near the same and continue such light every night from sun-setting to sun-rising while such materials or hole remain; and such person shall at his own expense cause such materials or other things and such hole to be sufficiently fenced and inclosed until such materials or other things are removed or the hole filled up or otherwise made secure; and every such person who fails so to light, fence or inclose such materials or other thing or such hole shall for every such offence be liable to a penalty not exceeding TWENTY-FIVE DOLLARS and a further penalty not exceeding TEN DOLLARS for every day while such default is continued.

XVI.

Penalty for continuing deposits of building materials or excavations an unreasonable time.

In no case shall any such building materials or other things or such hole be allowed to remain for an unnecessary time under a penalty not exceeding TWENTY-FIVE DOLLARS to be paid for every such offence by the person who causes such materials or other things to be laid or such hole to be made and a further penalty not exceeding TEN DOLLARS for every day during which such offence is continued after the conviction for such offence, and in any such case the proof that the time has not exceeded the necessary time shall be upon the person so causing such materials or other things to be laid or causing such hole to be made.

XVII.

Dangerous places to be repaired or inclosed.

If any building or hole or other place near any street be, for want of sufficient repair, protection or inclosure, dangerous to the passengers along such street, the Council shall cause the same to be repaired, protected or inclosed so as to prevent danger therefrom and the expenses of such repair, protection or inclosure shall be repaid to the Consul by the owner of the premises so repaired protected or inclosed and shall be recoverable from him as damages.

XVIII.

Cleansing streets—Council to cause streets to be cleansed, and dust and ashes to be removed from the houses.

The Council shall cause all the streets together with the foot pavements from time to time to be properly swept and cleansed, and all dust and filth of every sort found thereon to be collected and removed, and shall cause all the dust, ashes and rubbish to be carried away from the houses and tenements of the inhabitants of the town and district within the limits of *these Regulations* at convenient hours and times, and shall cause the privies and cesspools within the said town or district to be from time to time emptied and cleansed in a sufficient and proper manner; provided always that the occupier of any house or tenement within the limits of *these Regulations* may keep and remove any such soil, ashes or rubbish as shall be made on his own premises, and shall be kept for manure so that the same be not a nuisance to the inhabitants residing near such premises, and that the same be removed at such times and in such manner as shall be approved of by the Council.

XIX.

Council may compound for sweeping footways.

The Council may compound for such time as they think fit with any person liable to sweep or clean any footway under the provision of these Regulations for sweeping and cleaning the same in the manner directed by these Regulations.

XX.

Ruinous Buildings.

If any building or wall be deemed by the Surveyor of the Council to be in a ruinous state, and dangerous to passengers or to the occupiers of the neighbourhood, such Surveyor shall immediately make complaint thereof to the Consul of the nation of the person or persons to whom the building belongs, and it shall be lawful for such Consul to order the owner, or in his default the occupier (if any), of such building, wall, or other thing, to taken down, rebuild, repair, or otherwise secure to the satisfaction of such Surveyor, within a time to be fixed by such Consul, and in case the same be not taken down, repaired, rebuilt, or otherwise secured within the time so limited, or if no owner or occupier can be found on whom to serve such order, the Council shall with all convenient speed cause all or so much of such building, wall, or other thing, as shall be in a ruinous condition and dangerous as aforesaid to be taken down, repaired, rebuilt, or otherwise secured, in such manner as shall be requisite, and all the expenses of putting up every such fence, and of taking down, repairing, rebuilding, or securing such building, wall, or other thing shall be paid by the owner or owners thereof.

XXI.

Expenses of Removal.

If such owner or owners can be found within the said limits, and if on demand of the expenses aforesaid, he neglect or refuse to pay the same, then such expenses may be levied by distress, and the Consul on the application of the Council may issue his warrant accordingly.

XXII.

When Owners cannot be found.

If such owner cannot be found within the said limits, or sufficient distress of his goods and chattels within the said limits cannot be made, the Council after giving *twenty-eight days* notice of their intention to do so, by posting a printed or written notice in a conspicuous place on such building, or on the and whereon such building stood, and

by giving notice in the local newspapers under the head of Municipal Notification, may take such building or land, sell the same by Public auction, and from and out of the proceeds of such sale may reimburse themselves for the outlay incurred, or the Council may sell the materials thereof, or so much of the same as shall be pulled down, and apply the proceeds of such sale in payment of the expenses incurred in respect of such house or building; and the Council shall restore any overplus arising from such sale to the owner of such house or building, on demand; nevertheless, the Council, although they sell such materials for the purposes aforesaid, shall have the same remedies for compelling the payment of so much of the said expenses as may remain due after the application of the proceeds of such sale as are hereinbefore given to them for compelling the payment of the whole of the said expenses.

XXIII.

Projections of Houses are to be removed on notice.

The Council may give notice to the occupier of any house or building to remove or alter any porch, shed, projecting window, step, cellar, cellar door or window, sign, sign-post, sign iron, showboard, window shutter, wall, gate, or fence, or any other obstruction or projection erected or placed against or in front of any house or building within the limits of the settlement, and which is an obstruction to the safe and convenient passage along any street; and such occupier shall, within fourteen days after the service of such notice upon him, remove such obstruction or alter the same in such manner as shall have been directed by the Council, and in default thereof shall be liable to a penalty not exceeding TEN DOLLARS, and the Council in such case may remove such obstruction or projection, and the expense of such removal shall be paid by the occupier so making default, and shall be recoverable as damages. Provided always, that in the case in which such obstructions or projections were made or put up by the owner, the occupier shall be entitled to deduct the expense of removing the same from the rent payable by him to the owner of the house or building.

XXIV.

Obstructions of Streets.

No person shall obstruct the public roads or foot paths with any kind of goods or building materials under a penalty of TEN DOLLARS for every TWENTY-FOUR HOURS of continued obstruction, and after the first TWENTY-FOUR HOURS notice of removal shall have been given to the owner of the same or the person using, employing or having control over the same, or in the absence of any such person or inability on the part of the Agents of the Council, shall remove the same and retain the same until the expense of such removal shall have been repaid, or may recover the expense of such removal as damages, and may after such recovery sell the same, holding the balance, if any, after payment of penalties, expenses and costs to the use of the person entitled to the same. And it shall be competent to the Council to charge for holdings or scaffoldings placed round buildings in course of erection, interfering with the public highway, on a scale to be hereafter fixed by the voters.

XXV.

Cleansing Streets.

All occupiers of Land and Houses shall cause the foot pavements in front of their Houses to be swept and cleansed whenever occasion shall require, and they shall also cause to be swept and cleansed all gutters, surface drains in the front, side, or rear, of their Premises, and remove all accumulations of soil, ashes, or rubbish; and every such occupier making default herein shall for every offence be liable to a penalty of FIVE DOLLARS, and for the purpose aforesaid when any House shall be let in apartments the person letting the same shall be deemed the occupier.

XXVI.

Conveyance of offensive matter.

The Council may, from time to time, fix the hours within which only it shall be lawful to empty privies or remove offensive matter within the limits of the settlement, and when the Council have fixed such hours, and given public notice thereof, every person who within the said limits empties or begins to empty any privy, or removes along any thoroughfare within the said limits any offensive matter, at any time except within the hours so fixed, and also every person who at any time, whether such hours have been fixed by the Council or not, use for any such purpose any utensil or pail or any cart or carriage not having a covering proper for preventing the escape of the contents of such cart, or of the stench thereof, or who wilfully slops or spills any such offensive matter in the removal thereof, or who does not carefully sweep and clean every place in which any such offensive matter has been placed, or unavoidably slopped or spilled, shall be liable to a penalty not exceeding TEN DOLLARS, and in default of the apprehension of the actual offender the driver or person having the care of the cart or carriage employed for any such purpose shall be deemed to be the offender.

XXVII.

Stagnant Pools.

No person shall suffer any offensive waste or stagnant water to remain in any cellar or other place within any house belonging to or occupied by him so as to be a nuisance; within or upon any waste land belonging to or in his occupation within the boundaries of the Settlement, and every person who shall suffer any such water to remain for *Forty-eight hours* after receiving notice of not less than forty-eight hours from the Council to remove the same, and every person who allows the contents of any privy or cesspool to overflow or soak therefrom, to the annoyance of the occupiers of any adjoining property, or who keeps any pig or pigs within any dwelling-house within the said limits so as to be a nuisance, shall for every such offence be liable to a penalty not exceeding TEN DOLLARS, and to a further penalty not exceeding TWO DOLLARS for every day during which such nuisance continues; and the Council may drain and cleanse out any stagnant pools, ditches, or ponds of water within the said limits, and abate any such nuisance as aforesaid, and for that purpose may enter, by their officers and workmen, into and upon any building or land within the said limits at all reasonable times, and do all necessary acts for any of the purposes aforesaid; and the expenses incurred thereby shall be paid by the person committing such offence, or occupying the building or

land whence such annoyance proceeds, and if there be no occupier, by the owner of such building or land, and shall be recoverable as damages.

XXVIII.

Regulation to prevent accumulations of Dung, &c.

If the dung or soil of any stable, cow-house or pigstye or other collection of refuse matter, elsewhere than in any farm-yard, be at any time allowed to accumulate within the limits of the Settlement for more than *seven days*, or for more than *two days* after a quantity exceeding one ton has been collected in any place not allowed by the Council, such dung, soil or refuse, if not removed within *twenty-four hours* after notice from any officer of the Council for that purpose, shall become the property of the Council, and they, or any person with whom they have at the time any subsisting contract for the removal of refuse, may sell and dispose of the same, and the money thence arising shall be applied towards the purposes of the Council, or they may recover the expense of such removal from the occupier of the building or land as damages.

XXIX.

Certificate of the Officer of Health, Filth to be removed.

If any time the Officer of health, or if for the time being there be no Officer of health, any two Surgeons or Physicians, or one Surgeon and one Physician residing within the limits of the settlement, certify under his or their hands to the Council that any accumulation of dung, soil, or filth or other noxious or offensive matter, within the said limits ought to be removed, as being injurious to the health of the inhabitants, the Secretary of the Council shall forthwith give notice to the owner, or reputed owners of such dung, soil or filth, or to the occupier of the land where the same are, to remove the same within *twenty-four hours* after such notice: and, in case of failure to comply with such notice, the said dung, soil or filth shall thereupon become vested in the Council and they, or any person with whom they have at that time contracted for the removal of all such refuse, may sell and dispose of the same, and the money thence arising shall be applied towards the purposes of the Council, and they may recover the expence of such removal from such occupier or owner in the same manner as damages.

XXX.

Houses to be whitewashed and purified on Certificate of Officer of Health, &c.

If at any time the Officer of Health, or, if for the time being there be no Officer of Health, any Two Surgeons or Physicians, or one Surgeon and One Physician, residing within the said limits, certify under his or their hands to the Council that any house or part of any house or building within the limits of the settlement is in such a filthy or unwholesome condition that the health of the inmates or of the neighbours is thereby affected or endangered, or that the whitewashing, cleansing, or purifying of any house or building or any part thereof would tend to prevent or check infectious or contagious disease therein, or that any drain, privy or cesspool is in such a defective state that the health of the neighbours is thereby affected or endangered, the Council shall order the occupier of such house or part thereof to whitewash, cleanse and purify the same, and the owner of such drain, privy or cesspool to amend the condition thereof, in such manner and within such time as the Council deem reasonable; and if such

occupier or owner do not comply with such order he shall be liable to a penalty not exceeding TEN DOLLARS for every day's neglect thereof; and in such case the Council may cause such house or any part thereof, to be white-washed, cleansed and purified, or the condition of such drain, privy or cess-pool to be amended, and many recover the expense thereof from such occupier or owner in the same manner as damages.

XXXI.

Council may order Nuisances to be abated.

If any candle-house, melting-house, melting-place or soap-house, or any slaughter-house, or any building or place for boiling offal or blood, or for boiling or crushing bones, or any pig-stye, necessary house, dunghill, manure heap, or any manufactory, building, or place of business within the limits of the settlement be at any time certified to the Council by the Inspector of Nuisances, or Officer of Health, or if for the time being there be no Inspector of Nuisances or Officer of Health, by any two Surgeons or Physician, or one Surgeon and one Physician to be a nuisance or injurious to the health of the inhabitants, the Council shall direct complaint to be made before the Consul of the nation of the person by or on whose behalf the work complained of is carried on, and such Consul shall enquire into such complaint, and may by an order in writing under his hand, order such person to discontinue or remedy the nuisance within such time as to him shall appear expedient. Provided always that it appear to such Consul that in carrying on any business complained of, the best means then known to be available for mitigating the nuisance, or the injurious effects of such business have not been adopted, they may suspend their final determination, upon condition that the person so complained against shall undertake to adopt within a reasonable time such means as the said Consul shall judge to be practicable and order to be carried into effect for mitigating or preventing the injurious effects of such business.

XXXII.

Obstruction of Scavengers.

Every occupier of any building or land within the said limits, and every other person, who refuses to permit the said scavengers to remove such dirt, ashes, or rubbish as by these Bye-laws they are authorized to do, or who obstructs the said scavengers in the performance of their duty shall for every such offence be liable to a penalty not exceeding TWENTY-FIVE DOLLARS.

XXXIII.

Dangerous Buildings.

No Straw Shed, Bamboo Houses or Buildings of like inflammable material shall be erected within the settlement, nor shall contraband goods or merchandize likely to endanger life or cause injury to individuals, such as gunpowder, saltpetre, sulphur, large quantity of spirits in bulk, petroleum, naphtha, and other explosive gases or liquids, stand on the premises of any individual under the penalty of TWO HUNDRED AND FIFTY DOLLARS, for the first offence, and of FIVE HUNDRED DOLLARS, with confiscation of the goods themselves to the use of the Council, for each succeeding offence. On articles of this nature being brought into the settlement, immediate notice must be given by the importer, consignee or owner thereof to the Secretary of the

Council whose duty it will be to assign the locality or place within which such goods may be safely stored, and every refusal to obey, or disobedience of the order of the Secretary in this behalf shall be visited with a penalty of TWO HUNDRED AND FIFTY DOLLARS, and a penalty of ONE HUNDRED DOLLARS for every TWENTY-FOUR HOURS of continued disobedience, and such penalty together with the preceding penalty and all other fines and penalties declared by these Bye-Laws shall be recoverable in a summary manner before the Consul or Court having jurisdiction over the offender or defaulter.

XXXIV.

Licenses.

No Foreigner or Chinese shall vend Spirits or Liquors of any kind or description, or open a house of public entertainment, Music Hall, Theatre, Circus or Dancing Saloon within the limits of the Settlement, without a Licence first obtained from the Council, and in the case of foreigners, countersigned by the Consul of the nationality to which the applicant belongs, and upon good and sufficient security given for the maintenance of order in such establishment, and in respect of such Licenses the Council may charge on such scale as may be authorized at the usual meetings of rate-payers :—

For every Wine and Spirit Shop annually, ...	
For every Beer Shop, ...	
For a House of Entertainment, Hotel or Tavern,	
Music Hall, Theatre .... Circus, ... Dancing Saloon	For every night open,

And any person opening or keeping, or holding, any such Shop, Store, House of Entertainment, Music Hall, Theatre, Circus or Dancing Hall without having first obtained the License of the Council, shall over and above the cost of the License and Summons, be liable to a fine not exceeding FIFTY DOLLARS.

XXXV.

Disturbance in Streets.

All persons firing Guns or Pistols, causelessly creating a Noise or Disturbance, and all persons guilty of furious or improper riding or driving, or the leading of Horses up and down any thoroughfare for exercise, or who shall commit any act which may legitimately come within the meaning of the term Nuisance, shall be liable to a penalty of TEN DOLLARS.

XXXVI.

Lamps.

All persons driving carriages or carts of any description between one hour after sunset and one hour before sunrise, must affix lighted lamps to their vehicles, under penalty of FIVE DOLLARS for each omission.

XXXVII.

Carrying arms.

No Person within the limits of the Settlements, except Consular Officers and the Officers of the Council duly authorized, and Military and Naval Offiers or Volunteers or Soldiers or Soldiers of any Government Force in uniform or on duty, shall under any pretence carry offensive or defensive arms such as Guns, Pistols, Swords, Daggers, loaded Sticks, Slung Shots, Knives, or any weapon of like character, under a penalty not exceeding TEN DOLLARS or one week's imprisonment with or without hard labour.

Provided that nothing in this Bye-Law be constructed to extend to the carrying of Fowling-pieces for the purpose of shooting game.

XXXVIII.

Transient offender.

It shall be lawful for any officer or agent of the Council and all persons called by him to his assistance, to seize and detain any person who shall have committed any offence against the provisions of these Bye-Laws, and whose name and residence shall be unknown to such officer or agent, and convey him, with all convenient despatch, before his proper Consul, without any warrant or other authority than these By-Laws.

XXXIX.

Penalty for Disobedience of Orders of Consuls.

If any such nuisance, or the cause of any such injurious effects as aforesaid, be not discontinued or remedied within such time as shall be ordered by the said Consul, the person by or on whose behalf the business causing such nuisance is carried on, shall be liable to a penalty not exceeding TWENTY-FIVE DOLLARS for every day during which such nuisance shall be continued or unremedied after the expiration of such time as aforesaid.

XL.

Bye-Laws.

Nothing in these Bye-Laws contained shall be construed to render lawful any act or omission on the part of any person which is, or would be deemed to be a nuisance at common law from prosecution or action in respect thereof, according to the forms of proceeding at common law, nor from the consequences upon being convicted thereof.

XLI.

Penalties to be summarily recovered.

Every penalty or forfeiture imposed by these Bye-Laws made in pursuance thereof, the recovery of which is not otherwise provided for, may be recovered by summary proceeding before the proper Consular representative, and it shall be lawful for such Consular representative upon conviction, to adjudge the offender to pay the penalty or forfeiture incurred, as well as such costs attending the conviction, as such Consular representative shall think fit.

XLII.

Publication of Bye-laws.

These Bye-Laws shall be printed, and the Secretary of the Council shall deliver a printed copy thereof, to every rate payer applying for the same, without charge; and a copy thereof shall be hung up in the front, or in some conspicuous part of the principal office of the Council.

Admiralty
Copy w[ith] list of Treaty
pap[ers] B: Bate

No. 67. — 1 Inclosure

Legation of the United States.

November 18. 1869

Sir,

I have the pleasure to send you a copy of a letter written at my request by the Harbor-master at Shanghai to his superior Mr. Dick, Commissioner of Customs, giving an account of the newly-erected light on Gutzlaff I. lying off the mouth of the Yangtsz' River. The island is a small uninhabited knoll, and the light has long been needed, and its successful erection is owing largely to the perseverance of Mr. Hart, the Inspector general of Customs. Our own Light-house Board

Hon. Hamilton Fish,

Secretary of State.

Board exhibited its interest in this depart-
ment of the Chinese Customs' service by
sending out two copies of its reports and
plans, which were presented to the high
officers at Peking last year; and I have
no doubt its directors will be pleased to
learn of the progress made in lighting
this coast.

I have the honor to be,
Sir,
Your Obedient Servant,
S. Wells Williams

No. 67. Inclosure A

/Copy/

Harbor-Master's Office.

Shanghai. November 8. 1869

Thomas Dick, Esq.

Sir,

Herewith I send a short account of the Gutzlaff I. Light.

Light. – A third order fixed white light, 270 feet in hight, illuminating the entire horizon, and visible in clear weather twenty miles. Lighted Nov. 1. 1869. The tower is of iron, about ten feet from foundation to center of light, located on a hummock at the west end of the summit, and firmly secured with portland cement in a granite foundation.

About forty feet from the tower

on

on the small level part of the summit, - between the hummocks, stands the keeper's dwelling-house, a strong brick building, with corrugated iron roof, built sufficiently low not to obstruct the light from any part of the horizon close to the island.

On the east hummock, a flagstaff is stationed, made to lower down that not a ray of light may be obstructed; from this staff signals can be made with vessels at any time during daylight.

Two guns are planted on the summit, when it is desired to draw the attention of a vessel during day, a gun will be fired, and signal made.

During fogs, should a steamer or sailing vessel pass close to the island, and the former blow her whistle, or the latter

ring

ring bells, blow fog horn, or make any noise that can be heard, a gun will be fired from the island to denote the vicinity of the land

I am, Sir,

Your Obedient Servant,

(signed) J. B. Rennell

Acknowledged July 14

Mr. Bond

No. 68 - 1 Enclosure.

Legation of the United States.

November 18. 1869

Sir.

I have procured a copy of the Reports on Trade at the open ports in China for the year 1868, made out by the British consuls, and published under the direction of the British Minister, and now send it to the Department as the best account of the course and extent of the foreign trade with China that has been issued by the British authorities. I sent you recently, a copy of the Customs trade reports for 1868, which with this will furnish you with everything of importance that is known upon the

Hon. Hamilton Fish.

Secretary of State.

the native and foreign commerce of China, prepared by men who have carefully studied their subjects, and eager to find new openings and learn any facts that will enlarge or stimulate the trade.

I beg to direct your attention in this collection, especially to the reports made by the consuls at Tientsin, Chefu, Shanghai, and Swatow. They contain a variety of trustworthy information upon the character of the intercourse with the local officials, and the progress made in developing the resources, and learning the condition of the people, in which you will be interested. The consular officers of Great Britain are the only ones in China who could write such reports; they are trained to make this land of their career a study and rewarded as

they

they succeed. They are able to speak and read the language, and usually remain several years at one port. Other nations derive the benefits of this study and experience, but their consuls are seldom able or disposed to add their quota to the general stock.

How different from these experienced and tried men are the consuls of our own country. Unable to speak a word of Chinese, they are unable to pursue any independent line of research, or carry on direct conversation with any officer of this Government; and, as their position is precarious, unwilling to spend any time in learning to talk. If the British get the greatest portion of the trade into their hands, it is only the suitable result of their perseverance

severance and knowledge; and this result doubtless rewards the British nation for the great cost of maintaining such a consular staff.

It is a subject well worthy of your careful attention, how the United States' Government could raise up a class of trained consuls in this empire, with which we are to have increasing intercourse, who can worthily maintain its credit.

I have the honor to be,

Sir,

Your Obedient Servant.

S. Wells Williams

Dispatch No: 68
Inclosure 1.

CONSULAR

REPORTS AND RETURNS

ON

BRITISH AND OTHER FOREIGN TRADE

IN

CHINA.

1868.

SHANGHAI:
PRINTED AT THE "NORTH-CHINA HERALD" OFFICE.
1869.

ERRATA.

Tientsin Report, Page 6, near the bottom of second col., for "Zu Wên-hsin" read—"Tu-Wên-hsiu." In the next line for "Hsi-pu Kwo wang" read—"Hsi-mi-kuo-wang."

Chefoo Report, Page 3, top of second col., for "Jamcronete lead ore," read—"Jamesonite lead ore."

THE ORDER IN WHICH THE REPORTS, &c. ARE BOUND.

1. TAMSUY AND KEELUNG.
2. NEWCHWANG.
3. TIENTSIN.
4. CHEFOO.
5. SHANGHAI.
6. CHINKIANG.
7. NINGPO.
8. FOOCHOW.
9. AMOY.
10. SWATOW.
11. CANTON.

REPORTS

ON

FOREIGN TRADE WITH CHINA,

For the Year 1868.

Her Majesty's Envoy Extraordinary and Minister Plenipotentiary in China is pleased to direct that the Trade Reports from the several Consulates for the year 1868, together with such of the Tabular Returns as seem likely to be of interest to Merchants, shall be published for general information.

HUGH FRASER,

Secretary of Legation.

Peking, April 6th 1869.

TAMSUY AND KELUNG.

No. 17.—P.

British Vice Consulate,
Tamsuy, 31*st December*, 1868.

Sir,

I have the honor to hand you herewith the following Trade Returns for the Ports of Tamsuy and Kelung, and my commercial report thereon for the year ending at date.

1. General Return of British Shipping at Tamsuy and Kelung.
2. Return showing the shipping operations at Tamsuy and Kelung respectively.
3. Return of Foreign Shipping (not British) at the ports of Tamsuy and Kelung.
4. Return showing Foreign Imports in Foreign vessels for the two ports.
5. Return of Chinese Produce imported in Foreign bottoms to the two ports.
6. Return of Chinese Produce exported in Foreign bottoms from the two ports.

Upon these Returns I now venture the few following remarks :—

The Shipping.—Referring to British vessels alone, shows, I am happy to say, a large and remarkable increase. It is true that the number and tonnage of steamers is slightly below that of last year ; but that is a question of no moment, as they come only to bring opium and piece goods, or to coal,—lying in the former case off the port but for a few hours ; and it is mere chance work whether a large steamer like the *Glengyle* of 1265 tons, or the *Undine* of only 386 tons, brings the drug. As regards trade interests, therefore, as judged by the number and tonnage of the steamers visiting the port, there has been no falling off. On the other hand, the very large increase—speaking as I do, comparatively, of small ports—in the sailing vessels, is worthy of note. Last year we had but 24 of these visiting this Vice-Consular district, of the tonnage of 6,784 tons ; and of these, 15 of 4,628 tons took coal from Kelung. We have now 62 vessels of 16,140 tons trading here, of which 44 of 12,394 tons traded in coal at Kelung, showing an excess of 38 vessels of 9,356 tons, for 1868 over 1867. I am not, however, inclined to regard this sudden increase as being permanent. I look on it as being the result, in a great measure, of the various vessels of the several kingdoms, principalities and confederations which are now classed under the general head of the North-German Confederation, having—as I understand, —all been ordered to take the first opportunity of returning to Europe for re-registration. The consequent removal of so many vessels from these seas would necessarily bring forward British shipping ; and I should not be surprised were the Returns of 1869 to shew a falling off, as it cannot be doubted that there is a general preference, as regards coasting trade, for foreign (*i. e.*, not British) vessels of the class of schooners and barques. Yet, however, I do not anticipate any diminution in the actual foreign tonnage, but, on the contrary, a steady increase.

Foreign Shipping.—In this also there is an increase, but only a slight one, there being only two or three vessels of some 3,000 tons in excess of last year's Return. It is, however, worthy of observation that the Danish ships have supplanted those of Holland, there being 6 of the former and none of the latter this year, against seven of the latter and none of the former last year. We have also had vessels from Japan, Siam and Norway ; while Russia remains unrepresented.

Foreign Imports.—The sum total of these shews a decided decrease. It must not, however, be judged from this that there is any falling off in trade. Primarily, I put this decrease to the fact of the merchants having large stocks of various goods on hand at the close of 1867, which has necessarily not called forward supplies from other places. An examination of the Return will, however, shew that the decrease is confined to a few unimportant items, or to other costly ones, a slight decrease in the importation of which would make a perceptible difference in the figures of the Returns of a small district like this. This falling off will chiefly be noticed in Opium and Woollen piece goods, but, as before stated, there is reason to attribute it to heavy stocks on hand at the beginning of the year. Another cause to account for the falling off of Opium consignments, is to be found in the almost undoubted fact that Chinese merchants import it in native vessels to Tenkcham and other places on the West Coast, where it evades the Foreign Customs dues and has but to defray the "Lekin" tax, which in itself is lighter than it is at Tamsuy. This Lekin tax question, although one very difficult to deal with, concerning, as it *apparently* does, only Chinese officials and merchants, should yet be made the subject of remonstrance, as it *actually* does great harm to foreign trade, and is, consequently, opposed to the wording of the Treaty. Here the "Lekin" tax on Opium is as much as $60 per chest.

Native Imports in Foreign Bottoms. —Here also is a marked falling off, amounting to about £7,000. It is not, however, a decrease of foreign but of native trade, and it is impossible to account

His Excellency
Sir Rutherford Alcock, K.C.B.
Her Majesty's Envoy Extraordinary
&c., &c., &c.
Peking.

for it. The shortcomings will be noticed principally in Cotton, Nankeens, Paper, Preserves and Sugar candy, of which absolutely none has come forward against about £700 worth last year.

NATIVE PRODUCE EXPORTED IN FOREIGN BOTTOMS.—I now come to the Return which I consider, with that of Foreign shipping, as shewing more conclusively than any others, whether there is relaxation of, or progression in Foreign trade. I have shewn that the Foreign Import trade holds its own, and that foreign shipping has greatly increased during the past year. The causes of the falling off in the quantity and value of Chinese produce imported, can be known only to the native merchants, who, in almost every case, import it. As regards Chinese exports, however, the case is different, the most valuable of them being in a great measure in the hands of foreign merchants. And it is therefore with considerable satisfaction that I am able to report an increase on last year's return of more than £38,000, a sum more than sufficient to counterbalance any deficit which may appear in regard to native and Foreign Imports.

I now proceed to mention some of the principal articles of export, and to offer a few remarks on each.

CAMPHOR.—In view of the apparent complete extinction of the monopoly which has existed for some time past in this important product, it may not prove uninteresting to take a comprehensive retrospective view of the causes which led to its formation and decline. It originated with certain Cantonese Compradores, who had been in the employ of Foreign merchants some years ago, when they turned their attention to transactions in the article in question. Wnen, from causes which I have already submitted to your Excellency, camphor was neglected, these compradores left the firms which had employed them, co-operated, and by means of bribery and the powerful influence which they were enabled to command in the Fuhkëeñ province, obtained from the Viceroy a concession of monopoly in dealing in camphor, which had the effect of practically placing the whole trade in their hands to the exclusion of Foreign merchants. This system being clearly adverse to our treaty rights, I submitted the question to the Viceroy, and succeeded in obtaining from him a written declaration that our merchants might trade in camphor with whomsoever they pleased. Supported by this authorisation, I took measures which have resulted in the end in a peaceful solution of a serious difficulty; and camphor is now purchaseable at lower rates than it has been for a long time past.

TEA.—I would again ask your Excellency's attention to the necessity of causing some difference between the duties on first class teas and those of a lower quality. The imposition is a grievous burden here, where the teas are usually of an inferior sort, and some concession made on this head, would, undoubtedly, lead to an expansion of trade in that article.

TIMBER.—A trade in this article is springing up, and is decidedly worthy of fostering. Formosa, no doubt, produces splendid wood; and the Chinese Government should be induced to offer every facility for opening up the East coast which produces it. The introduction of a system of guaranteed cargo boats trading on this coast, will give us the opportunity of availing ourselves of a vast mine of timber of great value, and of extensively developing the resources of the country.

COAL.—Under this head I would earnestly solicit your Excellency to cause some reduction of the enormous duties levied upon it, namely 66½ per cent. The amount is preposterous, and hampers the trade, which, as the returns shew, would vastly increase were due facilities offered. The information which has been supplied to your Excellency on this head, as regards the prime cost of coal and its charges for freight &c., is very erroneous. I have been at some pains to ascertain the true state of the case, and cannot do better than lay before you copy of the letter which was addressed to me by Mr. Kerr of the firm of Dodd & Co., on this subject. I also enclose 2 pro forma Invoices and account sales supplied to me by Messrs. Dodd & Co. By these your Excellency will perceive that the charges are indeed very onerous, and that it would be a great boon could they be lightened.

I take this opportunity of forwarding to your Excellency a very able report drawn up at my request by Mr. Assistant Allen, on the coal trade and mining in the districts around Kelung. It gives a very clear insight into the method of conducting these operations.

I may mention that a Mr. Wood, mining engineer recently employed in Siberia, has come to Kelung for the purpose of applying European science to the better development of these mines. I have told him that, while I am not in a position to sanction his commencing operations on his own account, yet that I am prepared to afford him every assistance in my power, and that I shall place no obstacle in the way of his being employed as overseer by any Chinese mine owners. By adopting this course, it appears to me that European skill will be brought to bear without the Chinese authorities being able to make any objections, and gradually, as the novelty of the thing wears off, and the advantages of the system become apparent, others will follow the example set them, whereby a great extension of the coal trade must assuredly result, as a far superior class of coal will then be produced.

Generally speaking, the prospects of Tamsuy and Kelung are very satisfactory, and the inauguration of the system of guaranteed cargo boats is likely to prove highly beneficial. Setting aside the serious disturbances, consequent on the assault on Messrs. Kerr and Bird, we

have had a very peaceful year. The camphor monopoly has been destroyed, at least in the northern end of the island. On my representations Captain Brooker of H. M. Surveying ship "Sylvia" marked out the most advantageous spots for laying down buoys and setting up beacons, and during the year one beacon has been put up at the entrance of this harbour, two at Kelung, beside 2 buoys there. A screw-pile buoy was also put down at Tamsuy, but was unfortunately broken off by a junk, and it cannot be replaced for some time. Tamsuy harbour was also surveyed by Captain Brooker.

I am much indebted to Mr. Taintor, the Commissioner here, for his courtesy in allowing me to avail myself of the Customs books in compiling my Return of Trade; whereby I am enabled to transmit them to your Excellency at a much earlier date than I should otherwise have been enabled to do.

Respectfully,
HENRY F. HOLT.

MEMORANDUM.

The following items of information relative to the coal mines in the neighbourhood of Kelung, partly derived from personal investigations, and partly the result of enquiries made consequent on a visit paid to the mines on the 14th instant, may not prove uninteresting.

The mines at present in working order are forty-six in number, and occupy a tract of country covering an area of some 30 miles to the eastward of the town of Kelung. They produce an aggregate, in the year, of 300,000 piculs or 17,142 tons, a third of which is exported in 200 junks from Kelung, Some 1,300 miners are employed, whose wages are at the rate of 40 cents a day per man, while that of the porters carrying the coal to the water's edge, averages 30 cents. The range of hills in which the coal is found in abundance touches the seaboard at a small bay called Pa-tow-ah (八斗仔) known in the charts as Coal Harbour, 3 miles distant from Kelung. The distance from this bay to the nearest mine, is ¾ of a mile up hill, down which the coal is brought by porters, and taken thence in junks to Kelung for sale. A navigable creek called Tien-lias Kiang ( ) 2½ miles in length, connects the more remote or "inner mines" with Kelung itself.

The cost of transport from coal Harbour to Kelung, by water, is from $ 1.50 to $ 2 per 100 piculs, it being influenced by the state of the weather; while that from the inner mines along the creek to Kelung is about $ 1 per 100 piculs, the boats used carrying 50 piculs or 8 tons.

The price of the coal at the pit's mouth is quoted at $ 13, and at Kelung it ranges from $16 to $ 22 per 100 piculs, that is, from 13s. to 18s. per ton, the latter price being paid for the very best picked coal.

The coal is found within a very few feet of the surface, and the mines are, in most cases, worked into the side of the hill in nearly a horizontal direction, and the water which accumulates therein is thus enabled to run off easily through the entrance. In some instances, however, the strata dip slightly inwards, and then pumps on the same principle as the chain-pumps seen in the paddy fields throughout Southern China, are employed, which, worked by three or four men, raise about 25 gallons of water per minute. This contrivance answers well enough for the little drainage necessary. The depth of the mine hardly exceeds 500 yards, as when the vein is worked through, it is left; its height at the entrance varies from 3 to 20 feet.

The lamps used by the miners are merely small saucers with oil, and a wick protruding over the side, one end of which is lighted, and the saucer placed in a niche in the side of the mine. Firedamp seems unknown, though no special means are employed to secure ventilation.

The proprietors of the mines are, as a rule, the descendants of the first settlers after the expulsion of the savages; the heads of the clans some 20 years ago, petitioned the officials to prohibit the working of the mines, for fear of the ill-luck which would, as they said, result but the payment of a slight tax sufficed to overcome any opposition at that time. The obstinacy of the officials, combined with the want of proper mining ability, has hitherto impeded the working of the most productive beds of coal; said to lie beneath the level of the river leading to Kelung. The proprietors state their unwillingness to sell or lease the mines to foreigners without official sanction, and their capital does not admit of their employing foreign machinery. The war-tax levied on the exportation, amounts to $ 2.40 per 1,000 piculs, or 2½d. a ton, the picul of this district being estimated at 128 lbs.

With regard to the respective merits of Coal Harbour and Kelung, it may be observed that the latter, though in the main the largest harbour of the two, has not sufficient depth of water to shelter more than four or five vessels at work at one time, during the prevalence of a north-west wind, to which it is peculiarly exposed; and it is not, as before stated, so near to the mines.

The chief faults found with the Kelung coal are, that it burns too quickly, and generates an enormous amount of smoke. If properly mined, however, these defects might disappear. Some obtained last year was considered to be but 25 per cent inferior to the best Welsh coal.

It is a matter of regret that the Formosan coal mines cannot have the advantage of European science and skill applied to the working of them, as much better coal would in all probability be procured when deeper shafts were sunk in the coal beds; the resources of the country would then be properly developed, and Kelung would become, as from its geographical position it deserves to be, the regular coaling station for Her Majesty's ships of war, and all merchant steamers running on the coast of China and to Japan.

HERBERT J. ALLEN,
2nd Assistant,
Tamsuy, 28th February, 1868.

NEWCHWANG.

TRADE AND COMMERCE.

The Returns of 1868 continue to proclaim the increasing value of the trade at this port, the total trade in imports and exports being taels 6,665,376, or £2,221,792, against taels 5,525,340, or £1,841,780 in 1867; that is to say, an increase of more than one million taels. The manner of this increase too is most satisfactory, as it arises entirely from the import trade (that in exports has actually declined greatly) and especially in English piece-goods, the arrival of which in some cases is double, treble, four and even five times (in the case of T-Cloths) the amount sold here in the year of 1867. I cannot, however, pronounce this increase to be all real increase in the trade of the port, and in consumption in the vast regions which it supplies. There are very large stocks of all sorts of piece-goods, especially grey-shirtings, in the hands of both foreign and native merchants, and I believe myself to be within the mark when I say that more than one-third of that description of goods is still unsold in Ying-tsze and other places in the interior. By this action, importers residing not here but established in other ports, principally Shanghai, and dealing through resident agents here, have forestalled to a great extent the import trade of the current year, which in all probability will be remarkable more for its export than its import trade. Still it is undoubtedly the fact, incontestably supported by the appearance of the fine large shops of Kwan-ching-tsze and Kirin, 330 and 410 miles away from here in the north, that the use of foreign material for clothing has increased greatly, and that the taste for our warmer and more expensive woollen and woollen mixtures, has been developed among the trading classes and the farmers of the enormous tracts already recovered from the Manchoorian and Mongolian waste lands,—tracts, vast in themselves, but really forming but a portion only of the rich uncultivated region still stretching away in the North of the province of Kirin, in nearly all that of Tsi-tsi-har and almost all throughout Eastern Mongolia. If we hope, however, to introduce our Woollens generally, as warm clothing for the population of the cultivated regions, their tastes and habits of economy must be carefully studied and consulted; and cheap and durable, as well as showy materials offered to a hardy, practical people, who, slipping one pair of cotton summer trowsers inside another, and wadding them with a pound or so of cotton grown in their own fields, make temporarily one useful warm garment for the winter, which is again as easily resolved into two as the warm weather returns.

I enclose a list of the various imports in which a great increase is observed—

		1867.	1868.	Increase in 1868.
Shirtings,	Dyed ..... pcs.	250	1,500	1,250
,,	Grey ..... ,,	36,000	132,000	94,000
,,	Figured ..... ,,	4,406	9,198	4,792
,,	Dyed ..... ,,	2,282	9,238	6,956
,,	,, ... ,,	8,695	24,382	15,687
Drills, (English)	..... ,,	14,420	81,930	67,510
T-Cloths	..... ,,	1,798	11,240	9,442
Chintz	..... ,,	100	500	400
Cambrics	..... ,,	16,599	32,662	16,063
Woollens, Orleans, &c., and Mixed Stuffs	,,	2,097	4,918	2,821
Camleta (English)	..... ,,	200	1,222	1,022
,,	Imitation ..... ,,	1,853,063	6,606,750	4,583,697
Iron	..... lbs.	44,120	118,826	74,706
Lead	..... ,,			

The importation of steel has, on the other hand, decreased 94,149 lbs., almost half. While the importation of English drills has increased about treble, that of American has slightly declined, and that of Dutch has done so still more. I attribute this to the fact that the Chinese here have not yet learnt to discriminate between the different sorts of drills, and, finding the English cheaper, have failed to appreciate the greater durability of the American.

The iron has been all disposed of, and this enormous increase is in spite of the presence of iron mines in the eastern portion of this, the Fungteën, province and near Moukden; at the former of these, bars of very creditably prepared iron are produced. The importation of foreign, chiefly English, iron is due not so much to its superiority, or to any poverty of the native mines, but to the ignorance of the way to make them yield their full wealth, and to the physical difficulties of transit. The roads even in the plains look as if they were intended to place difficulty in the way of traffic, instead of affording facilities; while in the mountain region of Fungteën and Manchooria, they are little else than a mule track, and resemble most the dry bed of a mountain torrent.

OPIUM. — The importation in 1868 was somewhat greater than in 1867,

the amounts respectively being piculs 2,846 $^{03}/_{100}$ and 2,568 $^{85}/_{100}$ or an increase of 259 piculs. Of this, however, about 159 piculs were re-exported, leaving the net increase at 100 piculs. This is in the face of a yearly greater production of native opium in this province, and tends to allay a fear often expressed that the native will supplant the Indian opium. The consumption of the drug must be, as the Chinese assert, extending most rapidly amongst all classes of society. I am indebted to a merchant of this town for the following information relative to native opium.

The supply from the interior is about 1,000 piculs annually, to which may be added 300 piculs grown in the district of Yung-ping in Chih-li. Good opium yields 90 per cent of prepared drug, the second class only 70 per cent. The best Indian opium gives only 85 per cent, but the strength and flavour are much superior to those of the native growth. In addition to the universal imperial land tax, each mow of ground pays 2,000 small *cash* (about 4s. 6d. an acre) and the grower is responsible for, and I presume the collector of, a duty amounting to 20 *cash* an ounce. This at different rates of exchange, may be equivalent to taels 3 or 3.50 a picul; on the same weight of Indian opium, the Chinese Government receives an import duty of Tls. 30. At the different cities and trading places the native opium is subject once to a tax of taels 18.60 equally with the Indian, but the loss of the import duty causes the Imperial Government to discountenance the cultivation of the poppy, and this year again prohibitory proclamations have been issued. I am told in another quarter that in the coming season some 200 mow (about 33 acres) are to be sown with poppy seed near Liao-yang, a city to the N.E. and distant 86 miles from this port. The price of the native opium ranges at taels 220 to 250 a picul less than that of the foreign. Very little of the former is brought to this town, though it is consumed in some of the neighboring cities. Its use is chiefly confined to the places of production to the North.

Shipping & Exports.

Shipping and the export trade are so dependent on each other, and have this year affected Exchange so seriously that I cannot treat of them separately.

The employment of British shipping in the carrying trade of this port, to us at present the most valuable branch of trade here, has suffered a considerable diminution; 42 vessels of 16,930 tons burthen having entered at this Consulate less than during 1867. The vessels of other countries have experienced the same falling off, the tonnage of all nations being 211 vessels of 70,634 tons in 1868 against 327 vessels of 110,418 tons in 1867. I continue a comparative table of British and North German shipping furnished the last few years by the late Mr. Meadows, which shows the British has diminished less than that of this our most serious rival.

Year.	British Shipping.	N.-German Shipping.	British Tonnage.	N.-German Tonnage.	Percentage Proportion of Tonnage.	
					British.	North German.
1863	56	92	19,548	26,354	100	135
1864	74	137	24,302	37,638	100	155
1865	103	108	41,673	30,140	100	72
1866	99	99	39,442	28,370	100	72
1867	113	152	43,412	44,877	100	103
1868	71	87	26,482	24,845	100	93

I have asked the Taotai, who is the Superintendent of the Native as well as of the foreign customs, for returns of junks reported at the Hookwan, or native custom house; and from the information he has kindly supplied, I find that the junk trade has declined this year equally with that of the Foreign shipping, as is shown below.

	1867.	1868.
Kiang-nan junks	1,776	1,020.
Ningpo „	754	524.
Shantung „	427	292.
Tientsin „	648	506.

Notwithstanding this, another proof of the progress of trade and one which I may well introduce here, is that the native custom house for the year July 1867 to June 1868, instead of paying, as in previous years, less than the stipulated amount into the Imperial treasury, reported a surplus of Taels 80,000; in reward for which honesty and energy the Superintendent has received, as a mark of Imperial favour, brevet rank of a Mandarin of the 2nd class.

The causes of this falling off in the carrying trade are various. The chief is that the abundance of the sugar cane harvest of 1867, in Fuhkien and Kwangtung, induced the farmers to plant less cane in 1868, and they consequently required less beancake for manure. Another reason arose from the good harvests of pulse in this region in 1866 and 1867 which, having been sold at high and increasing rates, made both growers and traders rich enough to allow of their holding large stocks rather than reduce their rates to what might have induced

the Southern farmers to manure with beancake less valuable crops than sugar and cotton. The Shanghai market for this article was ordinarily fair, but the slight demand for it and the very small prices offered for it in the sugar districts, and the determination of the beancake producers here not to lower their prices allowed so small a margin for freights, that ships were obliged to find employment elsewhere. Of the North-German shipping available for the trade of this port, many seized the opportunity of the demand for rice in Europe to return thither with cargoes of Southern Chinese rice, and a similar demand in Japan provided other vessels with employment between China and that country.

On and since the opening of this port to foreign trade, beancakes were sold here for taels 1.50 to 2.00 for ten cakes, but as the people grew richer they gradually raised the price, and at one time (July 1867) it reached taels 4.80. The harvests of 1868 have again been good, but little inferior to those of 1867, some of which is still unsold, and these large stocks and another cause (to be mentioned below) have already shewn the necessity of lowering the rates somewhat. Soon after the opening of the season of navigation, in May, the rate was taels 3.70 and at the close of the year, in December, fell to taels 2.75, and if the Chinese are now willing to lower them still more, to an extent commensurate with the situation, there will be employment in the open season of this year, 1869, for a large quantity of shipping.

The other cause referred to above as likely to bring down the prices of pulse and beancake is, that though the port was visited last year by 116 fewer vessels, a much greater amount of imports was brought by them than in the year preceding, and as less native produce was exported, a large quantity had to be paid for in sycee. I append a list of the comparative exportation of pulse, beancake and oil in 1867 and 1868.

	1867.	1868.	Decrease in 1868.
Pulse....pls.	1,141,927	807,994	333,933
Beancake ,,	2,543,568	1,284,767	1,258,801
Oil..... ,,	20,608	15,084	8,524

Further it is seen that the excess of the value of Imports over that of Exports was, in 1867 only taels 657,056 or £219,015, while in 1868 it amounted to taels 3,482,138, or £1,160,712, a great dearth of silver is the consequence, and though, as I have said before, a great quantity of piece goods remains unsold, yet the exportation of Treasure was taels 465,054 more than in 1867.

Hitherto, the copper *cash* exchange for sycee has risen during the autumn to a maximum of 8,500 to 9,000 small *cash* for the tael, falling in winter to a minimum of 8,000 to 8,500. In 1867 already the exchange rose above its usual autumn limits, and failed to return to those of the winter. In 1868, however, during the open season, the exchange rose to 9,700 small *cash* a tael, and at the close of the English year, instead of falling, rose still further to 10,450, and at the close of the Chinese year, remained at 11,000. This scarcity has caused great loss and much distress among the Chinese merchants, and the failure of many firms in other cities and trading places; though here no serious failures have resulted from it. This draining of the sycee makes it still more necessary for the Chinese to dispose of their native produce (pulse and its manufactured forms, forming practically the only exports here) at prices that admit of their being largely taken in exchange for imports this coming season.

The Peruvian guano, Java, and latterly Hainan oilcake are, I learn, steadily making their way in the farming districts in the south, and the pulse growers of these provinces, who are again yearly taking more and more waste lands into cultivation, must either lower their prices so as to compete with these manures in the old markets, and to permit of beancake being used as a general fertiliser, or else they must prepare to employ a large portion of it themselves, and grow other and more valuable crops.

Local Taxation.

One great feature in the foreign trade of this port is the entire restriction of that trade to the port itself. In the first years, difficulties, or rather prohibitions were put by the local government in the way of foreign merchants, who tried to sell and buy in the interior, and after this action was declared contrary to Treaty, an interpretation of the XXVIII Article of the Treaty (Transit Dues) by the late Sir Frederick Bruce, making commutation of inland dues compulsory, and not optional, again made the interior a closed region to foreign enterprise. Instead of the country being studded with barriers and custom-houses, as is the case in China Proper, there are actually no stations of this kind throughout the country. Goods of all description, (with the one exception of native grown opium) travel free and untaxed after entering, or until they leave the port. During a long tour that I made last year along almost the whole border of this province, into that of Kirin and along the great Eastern Mongolian brink road, connecting Moukden and Kwan-ching-tsze, not one such custom station was crossed or could be heard of. Carts and waggons indeed were lightly taxed, but goods were literally free. It may be that the option of conveying their goods certificated or uncertificated will be secured to British merchants here, as it is at other ports; and that the extension of trade may cause them to be glad of a relief from the burden of a compulsory commutation; but it will be some time before trade moves out of the grooves, and changes the customs it has now formed

for itself; and in fact it is doubtful whether, with the exception perhaps of one firm which may desire to buy peas in the interior, foreign merchants feel any need or desire to carry merchandise away from the port town, or to make purchases of native produce before it arrives here.

There was an attempt made by the Tartar General at Kirin in the 9th Chinese month to impose a military contribution tax on the trade of Kwan-ching-tsze. The merchants resisted the attempt and threatened to close their places of business,—a proceeding which, if persisted in for a whole day, in China Proper is sufficient in itself to cause an enquiry and the punishment of the local officials. The Tartar-General threatened severe punishment to the owner of the first establishment that closed, but gained only an obedience to the letter, not the spirit, of his commands. A total cessation of all business for 15 days was the result; and the merchants gained the day as much from the Tartar-General's loss of temper as from the assistance given them by Prince Po (son of Sang-kolinsin) their landlord, in whose territory the town lies, subsequently, the merchants having successfully combatted the imposition of a regular and permanent tariff on their principal articles of commerce, made a voluntary offering of cash notes equivalent to taels 10,000 (about £3,000) to the military fund, premising that no precedent was to be founded on it. This shows the freedom these provinces enjoy from the Lekim taxes which, at other ports, are so fruitful a source of complaints and which are so difficult to be dealt with.

Foreign Population and Industries. —The foreign beancake manufactory, which has already been alluded to in previous reports, commenced working during the month of October last. Although the machinery, has not been found to fulfil all that its projectors intended, yet an adaptation of the native method in these points, shows that the steam-engine is able to produce better beancake at a less cost. The native mills obtain almost the maximum percentage of oil, viz: 12 per cent of the weight of the beans, an amount which is practically found to be the most that can be extracted; but that is only, I learn, during the most favourable, i.e. the warmest part of the year. It has been proved too that the greater and quicker pressure, which the steam presses are able to put forth, produces, curiously enough, a less flow of oil. Still the economy of working and greater thoroughness in some of the details leave a decided balance in favour of the steam-engine, and in Swatow the beancake produced by it obtains a higher price than the native made cake.

It is not however from this point alone that this new branch of foreign enterprise, and the extension of foreign interests of which it will probably be the cause and precursor, are sources of satisfaction. The intense and intelligent interest it excited among the Chinese Mill owners, at the time of its first working, was very remarkable, not only as distinguished from the invincible nil admirari determination generally shown, but from an absence of any desire on the part of either Mandarins or people to use unfair means of preventing its success. Although it was desirable on broad public grounds, as it would have been more gratifying to national pride, that the first instance of steam machinery imported here should fully realise the anticipations formed, yet the disposition evinced by the Chinese towards innovations of this nature is, to my mind, a source of congratulation for the future interests of this portion of the Chinese Empire, when the Government shall permit of foreign enterprise in the working of mines and railways.

The foreign population resident here during 1868, amounted to 82, counting women and children.

British	49
U. S. Citizens	20
Various	13
Total	82

Of these, no less than 20 were pilots. A great change will be effected in pilotage this coming season. For the last two years the pilots were protected by the native Government, who then made pilotage compulsory on all vessels. Now it will be optional for shipmasters to employ pilots, but it remains to be seen whether they will suffer much from this "dis-establishment."

General Remarks.

The relations between the local government and foreign officials, and the feeling of natives towards foreigners are most cordial and satisfactory. The chief local official in the case of a Chinese bankrupt, has decided upon pursuing the practice of the law of western nations, in so far as collecting the assets here and at other places, and paying a dividend equally to all creditors, Chinese and foreign.

The tranquillity of the province continues undisturbed, and several arrests and executions which have followed the few acts of violence and robbery lately committed, appear to have entirely broken the spirit of lawlessness which once characterised this and the surrounding region.

I think it my duty to take notice, here, of a speech made at a meeting of the Royal Asiatic Society in London, in November last, and reported in the public papers. "A paper was read, contributed by the Rev. Mr. Williamson on South and North Manchooria, wherein he advocated the introduction of railways as a means of developing the riches of the country." Mr. Brown, presumably the Secretary of the Chinese embassy to the United States of America and to Europe, but who has never visited Manchooria, "gave some interesting particulars res-

pecting the products of Manchooria, and the habits and prejudices of the Chinese, which would for many years obstruct the formation of railways in China." He said that the whole of the "country was a vast graveyard, as the people interred their dead in any spot selected by individuals, and those places for which they felt great reverence were so numerous that it would be impossible to run a railway through the country without disturbing hundreds of those sacred spots; and the people would not tolerate such desecration. With respect to the animals found in that part of China, he said that the Bengal tiger and leopard often ravage the country, etc., etc.

I must distinctly refute this description. The country has graves simply because it has inhabitants, and being but thinly populated, the graves are few; having been comparatively but lately, and in some places quite recently colonised, there are not the graves of many generations; the graves are of earth only and not turfed over, which fact will of itself speak convincingly of the number of less cared for mounds which nature is ever silently wearing away by rain and snow. The cemeteries are selected by a family or clan (not individuals) the members of which generally form themselves into separate small villages and there the whole family is buried. In the vast level plains, the greatest feature of the richest portion of Manchooria, not to mention the steppes of Eastern Mongolia, these sparse burying places, generally surrounded by trees, can be more easily avoided and passed to the right or left than other obstructions in any other country. In the hilly and mountainous districts, the graves are situated on the hills, where they would still less interfere with railways which would, if ever introduced there, affect the valleys. I speak from personal observation, having travelled over nearly the whole of this province, into that of Kirin, and along the great level Mongolian highway from Kwan-ching-tsze to this port. The time may not have arrived for the introduction of railways, but graves would not obstruct their course. Of the tigers * and leopards, I have to state that they live only in the Imperial Hunting grounds, and in the uncolonized portions of Kirin and Tsi-tsi-har.

British Consulate,
Newchwang, 30th March, 1869.

WALTER ED. KING,
Acting Consul.

* NOTE.—The Chinese tiger and that found in Manchuria are a distinct variety, attaining to a greater size and being much yellower than the Bengal tiger.

No. 1.—RETURN OF BRITISH SHIPPING AT THE PORT OF NEWCHWANG IN THE YEAR 1868.

DIRECT TRADE IN BRITISH VESSELS FROM AND TO HONGKONG.

(No direct Trade with Great Britain or with other British Colonies.)

ENTERED.

Whence Arrived.	Number of Vessels.			Total Tonnage.			Total Value of Cargoes.
	With Cargo.	In Ballast.	Total.	With Cargo.	In Ballast.	Total.	English Money.
Hongkong.....	2	...	2	656	...	656	£ 21,140 s. 0 d. 0

CLEARED.

Bound to	Number of Vessels.			Total Tonnage.			Total Value of Cargoes.
	With Cargo.	In Ballast.	Total.	With Cargo.	In Ballast.	Total.	English Money.
Hongkong.....	11	...	11	2,645	...	2,645	£ 19,837 s. 6 d. 8

INDIRECT OR CARRYING TRADE IN BRITISH VESSELS FROM AND TO OTHER COUNTRIES.

ENTERED.

Whence Arrived.	Number of Vessels.			Total Tonnage.			Total Value of Cargoes.
	With Cargo.	In Ballast.	Total.	With Cargo.	In Ballast.	Total.	English Money.
Japan.....	...	2	2	...	649	649	Nil.

CLEARED.

Bound to	Number of Vessels.			Total Tonnage.			Total Value of Cargoes.
	With Cargo.	In Ballast.	Total.	With Cargo.	In Ballast.	Total.	English Money.
Japan.....	...	...	...	...	...	...	...

PORT OF NEWCHWANG,
1st January, 1869.

WALTER ED. KING,
Acting Consul.

1868.

(A.)

DIRECT TRADE.

Imports and Exports.

General Imports, British and Foreign.	General Exports, British and Foreign,	Total, General Imports and Exports.	British Imports, as distinguished from Foreign.	British Exports, as distinguished from Foreign.	Total British Imports and Exports, as distinguished from Foreign.	Remarks.
£ s. d.	£ s. d.	£ s. d.				
21,140 0 0	19,837 6 8	40,977 6 8	Information not obtainable.	Information not obtainable.	Information not obtainable.	Direct Trade with Hongkong only. Treasure not being dutyable, the reports are voluntary and not official or complete.

[47]

Treasure (in vessels of all Foreign nations.)

	£ s. d.		£ s. d.
Imported from Great Britain or British Colonies...	3,333 6 8	Exported to Great Britain or British Colonies	20,564 13 4
Imported from other Foreign Countries...	—	Exported to other Foreign Countries	—
Total Treasure Imported	£3,333 6 8	Total Treasure Exported	£ 20,564 13 4

Total Treasure Imported and Exported..... .... £ 23,898 0s. 0d.

H. B. M. Consulate,
Newchwang, 1st January, 1869.

WALTER ED. KING,
H. B. M. Actg. Consul.

1868.

INDIRECT TRADE.

(B.)

COAST OR RIVER TRADE.

Imports and Exports.

General Imports, in British and Foreign Vessels.	General Exports, in British and Foreign Vessels.	Total General Imports and Exports, in British and Foreign Vessels.	Imports in British Vessels, as distinguished from Foreign.	Exports in British Vessels, as distinguished from Foreign.	Total Imports and Exports in British Vessels, as distinguished from Foreign.	Remarks.
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
1,670,112 6 8	510,702 6 8	2,180,814 13 4	661,664 0 0	182,098 6 8	843,762 6 8	Of Treasure (not being dutyable) the reports are voluntary and not official or complete.

Treasure.

	£ s. d.		£ s. d.
Imported in British Vessels	9,285 0 0	Exported in British Vessels	569,485 13 4
Imported in Foreign Vessels		Exported in Foreign Vessels	
Total..... .... £	9,285 0 0	Total..... .... £	569,485 13 4

Total Treasure Imported and Exported in British and Foreign Vessels .... £ 578,770 13s. 4d.

H. B. M. Consulate,
Newchwang, 1st January, 1869.

WALTER ED. KING,
H. B. M. Actg. Consul.

(C.)

1868.
SHIPPING RETURN.

BRITISH.

Entered.				Cleared.				Total Entered and Cleared.			
Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.
71	26,482	...	£ s. d. 682,804 0 0	71	26,482	...	£ s. d. 201,935 13 4	142	52,964	...	£ s. d. 884,739 13 4

FOREIGN.

Entered.				Cleared.				Total Entered and Cleared.			
Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.
140	44,152	...	£ s. d. 1,008,448 6 8	140	44,152	...	£ s. d. 328,604 0 0	280	88,304	...	£ s. d. 1,337,052 6 8

Total British and Foreign Entered:—
Number of Vessels.....211
Tonnage 70,634
Number of Crew ..... —
Value of Cargo .....£ 1,691,252 6s. 8d.

Total British and Foreign Cleared:—
Number of Vessels.....211
Tonnage 70,634
Number of Crew ..... —
Value of Cargo .....£ 530,539 13s. 4d.

Total British and Foreign Entered and Cleared:—
Number of Vessels.....422
Tonnage 141,268
Number of Crew ..... —
Value of Cargo .....£ 2,221,792 0s. 0d.

H. B. M. Consutate,
Newchwang, 1st January, 1869.

WALTER ED. KING,
H. B. M. Actg. Consul.

TIENTSIN.

The total value of the Tientsin trade in 1868 as divided into Import, Export and Transit Trade, was £8,008,504. 1s 8d, showing an increase of value as compared with that of 1867 of £1,828,034. 6s 0d, and a decrease in value as compared with that of 1866 of £287,813. 12s 4d.

Whilst the trade of 1867, however, was most injuriously affected by the unparalleled drought, and consequent bad harvest of that year, that of 1868 was undoubtedly fostered by the good harvest of last year. It had, nevertheless, in another respect to contend with an exceptionally untoward state of things, by which the trade of 1866 was not at all, and that of 1867 only partially affected, viz :—the prolonged anarchy which prevailed within this province during the greater portion of the season.

It is true, as stated in my last year's report, that during the autumn of 1867 "food riots took place in various districts, and bodies of mounted robbers roamed almost unchecked about the country," but the sporadic brigandage of that year was eclipsed completely by the two rebel raids of 1868, made by an organized host of some 30,000 Nienfei, who plundered five cities, ravaged the whole province to the South of Tientsin and Paou-ting-fu, and kept the field for months against an overwhelming majority of Imperial troops.

The districts which were devasted alternately by Rebels and Imperialists, during these two raids, are comprised within the 36th and 39th degrees of North Latitude, and the 114th and 118th of East Longitude ; they include the larger half of intramural Chihli and the rich plains of North-western Shantung that extend Northwards from the left band of the Yellow River ; the course of the Grand Canal, from its junction with that river to Tientsin, forming a well defined line of demarcation between the two areas overrun by the Nienfei and their opponents. The country to the West of the Canal was the scene of the first invasion, its chief object being apparently the capture of Paou-ting-fu, the provincial capital ; and the country to the East of the Canal was the scene of the second, its chief object being the capture of Tientsin.

These Nienfei who thus invaded the Metropolitan province last year, formed, I believe, portion of a host that left Honan in 1866 and passed through Shansi into Shensi to co-operate, it was thought, with the Mahomedan rebels in the latter province and in the remote wilds of Kansuh. Their leaders were Sung Ching-shi and Chang Tsung-yü, the former of whom had not long since been in the Imperial service, whilst the latter had been associated with a well-known chief of the Shantung Nienfei, named Lai Wên-kuang, who was captured and beheaded by Li Hung-chang, in the Kiang-nan province, in October, 1867.

The first raid cut the chief tradal line of communication,—which is partly a water but principally a land route, between Tientsin and Taiku-hsien (in the perfecture of Tai-yuen-fu in Shansi) the most important inland market in North China as regards the consumption of British products ; and the second raid cut, for more than three months, the great tradal routes between this port and Chang-tê-fu in Honan and Chi-nan fu in Shantung.

Having sketched thus generally the political events which affected commercial interests at Tientsin last year, the shipping and trade statistics may now be considered.

1. Shipping and Navigation.

Taking the entries and clearances for 1868, the shipping returns show an increase of 41 vessels and 28,465 tons as compared with 1867, and prove that more foreign shipping was employed in the trade of the port last year, than in any previous year since the inauguration of transport in foreign bottoms at Tientsin. The entries and clearances from 1861 to 1868 inclusive having been as follows :—

Table No. 1.

	Vessels.	*Tonnage.*
1861	111	27,161
1862	87	21,921
1863	134	36,276
1864	185	45,968
1865	209	60,049
1866	296	89,259
1867	256	80,346
1868	296	108,811

An American steamer of 230 tons, which entered port last autumn (laden with machinery for the new Chinese Powder Mills now in course of construction) and has not yet cleared, is not included in the above statement, neither is a small American sailing vessel of 36 tons that entered in ballast, and is now plying as a lighter between the outer and inner anchorages. If these two vessels were included, the entries for 1868 would be 299 vessels of 109,077 tons, and the clearances of 297 vessels 108,811 tons.

The general increase in number and tonnage of the shipping employed in 1868 over that employed in previous years, being thus made apparent, it will be seen from the next two tables that in 1868, as compared with 1867, this increase has taken place altogether in the steamer traffic, and that the transport by sailing vessels has somewhat decreased.

The direct trade with England was represented in 1867 by one sailing vessel of 461 tons, and, in 1868, by three sailing vessels, of which the aggregate was 1,588 tons viz., the "Challenge" 649 "Cymbeline" 390, and "Vigil" 549. These vessels brought cargoes consisting chiefly of cotton piece goods. The cost of conveyance of these goods by the direct ships from England to the outer Tâku anchorage, was 10s. per bale of 50 pieces, the cost of lighterage thence to Tientsin being about 2s. per bale, making the total cost from England to Tientsin 12s. per bale. The average cost of transport at the same time from Shanghai to Tientsin, made up of shipping, freight and landing charges, was about Tls. 2½ or 15s. 10d. per bale. Since the Chinese buyers of piece goods at Shanghai, however, as a rule, never insure their shipments to Tientsin per steamer, the difference between the higher rate of insurance from England to this port, and the lower rate to Shanghai must be added to the freight and lighterage charges on the direct shipments. This additional charge and an extra percentage on the cost of the merchandize, which may be added for the longer voyage, would probably make the cost of laying down a bale of shirtings direct from England at Tientsin equal to, but not more than, the present cost of its conveyance from Shanghai to Tientsin by steamer, and the sum of the charges for freight and insurance from England to Shanghai will, under present circumstances, represent about the difference as to cheapness in favor of the direct over the indirect transport.

Of the other British sailing vessels, forty-six in number, which entered in 1868, seventeen came from Shanghai, five of these laden wholly with rice and wheat, seven with rice and other cargo, chiefly wheat, and five with general cargoes; twenty-five arrived from Hongkong and the Formosan and coast ports, with sugar, paper and other Chinese and Straits produce, the remaining four coming from Nagasaki laden chiefly with Japanese tea and seaweed.

Twenty-eight out of the entire forty-nine British sailing vessels cleared in ballast and twenty-one with cargo.

The American sailing vessels, one from Nagasaki excepted, were all from the coast ports. Six brought general cargoes, one rice and one rice and sugar, two out of the eight clearing with cargo and the rest in ballast.

The great majority of all the other sailing vessels, classed as "Sundry" in Table No. 3, were under the new North German Flag, the minority being represented by the Danish, Dutch, French, Hawaiian, Russian, Siamese and Swedish Flags. Nearly all these vessels were engaged in the Coasting Trade, being employed almost exclusively in the transport to Tientsin, from the Coast and Formosan ports and Hongkong, of sugar, paper, rice and other such products of Southern China, the Straits Settlements and Siam.

Only forty of them cleared with cargo, sixty-one having left in ballast; thus making, with the English and American sailing vessels, a grand total in 1868, of ninety-five vessels leaving in ballast against sixty-three with cargo.

This fact is significant of the chief drawback to a large development of the Tientsin trade in foreign bottoms, viz, the present paucity of its exports, a drawback which would soon be removed, did the Peking Government but give up its short-sighted policy of opposition to the efficient working, by foreign skill and capital, of the Northern coal-fields, or did it even improve, or permit foreigners to improve, the means of internal communication with existing coal mines, imperfectly worked as these are by the rude native machinery now employed.

The steamer traffic last year was carried on chiefly by the Shanghai Steam Navigation Company, with a fleet of four vessels; by Messrs. Trautmann & Co.'s two steamers, both purchased in August by a new company, called the North-China Steamer Company, and by two other steamers that were chartered by the same company on its formation in that month.

Large quantities of rice and grain were imported throughout the year by the steamers, in addition to the imports of which they are the regular and almost exclusive carriers up the coast, namely, cotton piece goods, woollens, opium and Hankow tea for the Siberian market. Out of the 139 steamers that cleared in 1868, 11 left in ballast and 128 with cargo.

The importation of rice and grain was stimulated last year by an Imperial Edict dated the 3rd January, 1868, issued in consequence of a memorial presented by a metropolitan mandarin who had called the attention of the Government to the fact that while food was dear in the north, the agriculturists of the South Eastern Provinces were incurring losses from the low price of grain in their districts, and had recommended that steps should be taken to equalise prices, and secure the food supply of the capital by encouraging importers. Permission was granted by this edict to native craft of all descriptions to carry rice from Shanghai and the other sea-ports of the Kiang-su Province to Tientsin, free of duty, under certificates granted by the local mandarins. Chung-how soon afterwards reported to the throne that he had extended the privilege to foreign vessels, and his action in the matter was approved.

It is probable, however, that the shipment duty on rice may be re-imposed before long, last year's harvest in the north having been a good one; and that during the present year, therefore, a smaller number of foreign vessels will be required for the transport of this staple.

Nine sailing vessels and 585 junks were employed in 1868 in carrying the tribute rice, but unfortunately that por-

tion of it which was brought up by the former had to be delivered at Taku (either from this arrangement having been made by the shippers at Shanghai, or from the vessels that were employed being too large to come up the river) and the lighterage to Tientsin when added to the freight from Shanghai made the whole cost of conveyance heavier by the foreign vessels than if junks had been the carriers. There must have been some mis-management, one would think, to produce such a result, but, nevertheless, the failure of the experiment will most probably prevent any similar shipments being made this season, and perhaps for some years to come, especially as there is another consideration in favour of the junk transport to which the authorities attach great importance, namely, that the junk owners are quite willing to wait until it suits the convenience of the officials to take delivery of their cargo, while foreign ship-masters, on the contrary, require their vessels to be discharged without delay.

Though nearly a hundred more rice junks entered the river in 1868 than in 1867, it is gratifying to be able to record that, owing to the plan of junk anchorages drawn up by Mr. Commissioner Hughes, which was adopted last year by the Chinese authorities, and to the system of river police that was organized at the same time, the numerous bends in the upper portion of the river were kept clearer and the fairway more open in 1868, than in any of the three preceding years, since the regulations of 1865 were made. The following Table which shows how rapidly the annual arrivals of these junks have increased since that year, proves how necessary such precautions are.

TABLE No. 4.

The rice fleet consisted of—	*Junks.*
In 1865	189
1866	335
1867	489
1868	585

The abuses connected with this rice tribute are manifold. Wholesale peculation with official collusion invariably occurs during its transport from Tientsin to Tungchow, and the annual impressment of cargo boats by the Chinese authorities at this port, for the conveyance of the grain to the last named city, is a serious impediment to local traffic and a fertile source of annoyance to the whole mercantile community, native as well as foreign.

Although there are at present 1,436 Government lighters available for use, no less than 560 private boats have already been impressed this year, and in order that such cargo boats as are employed by foreigners may remain exempt from seizure, they must each be supplied with a boat-pass under the seal and signature of a Foreign Consul and be countersealed by the Taotai.

It is difficult to guard against the abuse of these passes, and there is reason to fear that they have been often sought for the mere purpose of selling to Chinese, and have also been transferred from hand to hand amongst the boatmen themselves, in order to protect their property from authorized or unauthorized seizure by the underlings of the local mandarins' Yamên. In order to prevent such abuses, the passes which are sent into this Consulate for transmission to the Taotai must be all written out by the applicant according to a prescribed form, and each paper certified by his signature, it being stated also in Chinese and English, upon the face of each pass, that it must, during the period for which it has been granted, be kept pasted on the mast of the boat, or, if she have no mast, on some conspicuous part of the boat herself. It is to be feared, however, that no devisable system of boat passes, considering the character of the Chinese police, can effectually prevent such documents being abused; and it would be better for the Taotai to publish each year a list of the boats taken up by the Government, and to cause a short Chinese sentence—the equivalent of "for Tribute Rice conveyance," or some such expression—which foreigners might easily recognize, to be painted in large characters on the outsides of the pressed boats. If these were thus remarked, the public might know at once what boats it was free to hire, and the owners of the unmarked boats would also know that the District Magistrate's police had no right to interfere with their liberty of action.

I have already urged upon the Taotai in conversation, the desirability of getting rid of Boat Passes altogether by some such means as the above, and I purpose soon to bring the matter forward in writing and send copies of the correspondence to Peking.

Whilst writing of cargo-boats, it may here be remarked that continual complaints have also been made for a long time respecting the boat charges levied at some of the barriers, on the inner waters in this province.

These charges are made according to a scale of measurement based upon the boat's breadth only, no matter what its length or carrying capacity. Thus, at the Yuen-chia-k'ou Barrier, for instance, which is under the jurisdiction of the Board of Revenue, and is situated about 60 miles from Tientsin, on that affluent of the Peiho by which coal-boats come down from the vicinity of the Fang-shan mines to this port, the scale of charges shown in Tientsin *cash* and English currency is as follows:—

TABLE No. 5.

	Tientsin Cash.	*s.*	*d.*
Boats 6 ft. broad and under, class 1,—pay	1,500	3	1½
Boats 6 to 7 ft broad class 2 pay	1,740	3	7½
„ 7 „ 8 „ „ „ 3 „	1,932	4	0½
„ 8 „ 9 „ „ „ 4 „	2,220	4	7½
„ 9 „ 10 „ „ „ 5 „	2,460	5	1½
„ 10 „ 11 „ upwards „ 6 „	2,700	5	7½

The *cash* of the paper currency and of accounts at this port is called Tientsin *cash*; as compared with the current copper coin, it is invariably at 50 per cent discount, so that 1,500 Tientsin *cash* are just equal to 750 copper cash. During 1868 the average rate of exchange between copper cash and Mexican dollars having been about 1,000 *cash* to one dollar, the sums given in the above table have been converted into dollars at this rate and then changed into sterling at 4s 2d per dollar.

All boats laden with dutiable articles pay each time they pass the Yuen-chiak'on Barrier according to the above scale; boats laden, however, with articles of food which are not dutiable, pay, at this barrier, only 672 Tientsin *cash*, or 1s 5d, and empty boats and passenger boats pay nothing. As the dues are levied upon laden boats, therefore, it seems manifestly fairer that they should be paid according to a scale based upon the actual amount of cargo in the boat or at least upon its carrying capacity, and not merely on the measurement of its breadth. Again, boats coming down the Peiho from Tung-chow must stop some three and a half miles above Tientsin, and are detained there while the boatmen go on to the city to pay the boat and the coal duties, thus causing a delay which is often very inconvenient, and which might easily be prevented by adopting the simple system of payment at the barrier.

I make these remarks upon boat charges with special reference to the contemplated opening of inland waters to foreign boats; and further, in the hope that such barrier charges as may be leviable upon these may be framed on a better principle, and that unnecessary delays may be avoided. I would suggest, first, that the Consuls at this port should be furnished with an official list of the boat dues payable at each of the water barriers within the Tientsin Customs District; secondly, that all such dues should be paid at once on the spot at which they are leviable; and thirdly, that the Revenue officers in charge of the Barriers should give proper receipts for each payment.

The plan for a properly defined junk anchorage at Koku, which I submitted to H. E. Chunghow in 1867, was adopted by him in 1868, and the anchorage limits have been satisfactorily fixed so as to give the junks a fair amount of space, and also to keep clear the sharp bend which the river takes at that point.

In my last year's report I stated that 137 Canton and Fukien junks arrived at Koku in 1867, and that the average yearly arrivals there for the quinquennial period then ended was 133, observing at the same time that the average for the next five years would probably be less, and that possibly within that period, the southern junks might disappear altogether from the Koku anchorage. The arrivals in 1868 seem to indicate both the possibility and probability of such a result, for they were 81 only, against 137 in 1867, being a decrease of 56 junks in a single year. The fact is that the undoubted advantages in the way of speed and safety possessed by foreign sailing vessels over junks, are becoming yearly more appreciated by the thoroughly practical Chinese merchant; and the former class of vessels are therefore supplanting the latter in the Coasting Trade as vehicles of transport for native produce. These advantages also, one would think, must eventually commend themselves to the Chinese Government, which seems not unwilling to utilise the foreigner as a carrier along the coast, and thus they may lead in time to the substitution of foreign for native craft in the conveyance of the tribute rice.

Besides the clearer definition and better regulation of the Koku anchorage in 1868, it was intimated to the public last June, that instructions had been given to ascertain the possibility of placing a light house on the Shalintien Island, on screw piles, and that if this were feasible, orders would be given to erect one. The locality, I understand, has since been surveyed, but with what result I have not heard. I may mention however here that the British brig "Ellen Morris" grounded in May 1868, on one of the Shalintien shoals, but succeeded afterwards in getting off, by sacrificing a portion of her cargo.

She was the sixth vessel, I believe, that had gone ashore upon these shoals since 1860, and the only one of the six which had not become a wreck.

2.—Trade and Commerce.

IMPORTS.

In 1868 the value of the Import Trade was as follows:—

Foreign Goods...	£	3,688,491. 4s. 4d.
Native Produce	„	1,516,782. 19s. 8d.
Treasure.....	„	682,662. 14s. 4d.
Total	£	5,887,936. 18s. 4d.

Of the foreign goods the aggregate value of the cotton piece goods, woollens and opium was £ 3,410,340. 1s. 8d. that of all other foreign imports being only £278,151.2.8. Of the native produce the aggregate value of the sugar, silk piece goods, and paper, was £803,488.3.0, that of all other native produce being £713,294.16.8.

As compared with 1867, there was in 1868 a very great advance in the value of the cotton piece goods imported, a slight falling off in that of woollens, and considerable decline in that opium, as exhibited in the following table, which shows however that the aggregate value of these three great staples and all other foreign imports in the latter year, exceeded that of the former year by more than three quarters of a million sterling.

TABLE No. 6.

Foreign Imports.	1867. £	1867. s.	1867. d.	1868. £	1868. s.	1868. d.
Cotton Piece Goods ...	970,363	17	8	1,955,338	15	4
Woollens	249,379	15	0	223,383	19	0
Opium	1,429,420	7	0	1,231,617	7	4
All others	264,519	5	4	278,151	2	8
Total	£ 2,913,683	5	0	3,688,491	4	4
Total increse in 1868.	£774,807	19s.	4d.			

The unusually large amount of treasure imported last year by the Chinese Government, chiefly for the use of Li-Hung-chang's army, made the total value of the Import Trade in 1868 exceed, by more than half a million sterling, its value in any previous year since the opening of the port, and although in 1866, the total value of the imports, excluding treasure was somewhat greater than in 1868, still the aggregate value of the three most important ones was less in the former than in the latter year, in which the increase in cotton piece goods more then compensated for the decline in woollens and opium.

In 1866, the value of the goods and produce imported was	£5,251,428	1s. 0d.
And that of the treasure was	£63,871	0s. 8d.
Making a total of.....	£5,315,299	1s. 8d.
And in 1868 the value of the goods and produce was	£5,205,274	4s. 0d.
That of treasure being...	£682,662	14s. 4d.
And the total being...	£5,887,936	18s. 4d.

Thus, comparing the relative values of the import trade for the two years, it will be seen that if treasure be included, 1868 exceeded 1866, as already stated, by more than half a million, and if treasure be excluded, 1868 fell short of 1866 in the value of its imports by less than fifty thousand pounds sterling.

As regards the import of treasure, however, last year was exceptional. In ordinary years it is imported rather for the use of the Foreign Legation, at the Capital and Consulates at Tientsin, than for trading purposes; I leave it out therefore in the following table, which I have compiled from the Custom House Returns to exhibit the comparative values of goods and produce imported from 1861 to 1868 inclusive, that is from the year in which foreign vessels first came to trade at this port, under treaty protection up to the present date.

TABLE No. 7.

		£	s.	d.
Value of Imports,	1861...	1,587,789	3	0
,, ,,	1862...	2,247,006	16	4
,, ,,	1863...	1,987,154	11	8
,, ,,	1864...	2,421,050	6	0
,, ,,	1865...	3,689,938	7	8
,, ,,	1866...	5,251,428	1	0
,, ,,	1867...	4,267,954	16	0
,, ,,	1868...	5,205,274	4	0

The above figures speak for themselves as to the consuming capabilites of the Tientsin market, and bear out the view which I expressed in my last year's report, that the decline in the value of the trade during the previous year was only temporary, and that the trade of 1868 would approach the standard of 1866, rather than that of 1867, provided tranquillity were restored in North China. Tranquillity, it is true, was not restored in this province last year until the trading season was more than half over, but, this fact being taken into consideration, the above figures only prove more conclusively the recuperative power of the Import Trade, under the increased demand arising from a good harvest, and in spite of a prolonged state of insecurity to life and property, and interrupted communication with inland markets, caused by the presence of both Rebels and Imperialists.

For the next three tables, which show the comparative quantities of the cotton piece goods, woollens and opium imported from 1864 to 1868 inclusive, and the first of which gives also the average price each year of the most important of these imports, viz., Grey Shirtings, I am indebted to Mr. Commissioner Hughes, by whom they were compiled, and who has kindly permitted me to incorporate them in this report.

An inspection of Tables 8 and 9 will show the cottons and woollens most in demand in this market. From the statistics of the China trade for the last three years, I believe it could be proved that Tientsin consumes more cotton piece goods that any other of the open ports, Shanghai not even excepted, if the re-exports be deducted from the imports; and yet the teeming millions of the working classes of this country do not wear our cotton cloth, the more durable homespun product of manufacturing China being universally preferred by them to the more elegant looking but less serviceable products of "machine-facturing" Britain.

It will be seen from Table No. 10 that the quantity of opium imported has been decreasing gradually since 1866, and that the importation of Malwa, which is far in excess of all other descriptions of the drug, had reached its maximum in that year, whilst its importation in 1865 had nearly doubled that of 1864. In my report upon the trade of Tientsin for 1866, I drew attention to the fact that

the increase in the importation of opium in that and the previous year had been immediately preceded by an Imperial edict, issued on the 28th of April 1865, which prohibited the cultivation of poppy throughout the Empire, and stated that though at first the operation of this edict was beneficial to the trade in foreign opium, the poppy was still grown extensively and the prohibition would prove ineffectual. That such has hitherto been the result is proved by the fact of another edict having been issued on the 31st January last, re-directing all Viceroys and Governors to cause proclamations to be issued forbidding altogether the cultivation of the poppy, which is stated to have been introduced from Kansuh into Shensi and Shansi, and afterwards grown in the provinces of Kiang-su, Honan and Shantung.

This edict may have some temporary effect in checking the production of native opium; but so small is the efficient control that the Central Government can exercise over many of the provincial Mandarins, and so universal is the corruption of the lower officials, that one may safely say the effect will not be lasting or widespread.

Shên Kuei-fên, late Governor of Shansi and now a Vice-President of the Board of Revenue at Peking, said to be a man of considerable influence at Court, procured the promulgation of the edict of 1865; and I have heard from a Chinese merchant that it was commonly said at the time in the North of China that he (Shên) had received Tls. 2,000 from the English merchants for memorialising the Emperor to prohibit the planting of the poppy. The edict of 1869 was issued on the memorial of one of the censors named Po Ch'uan; the ground of objection to the poppy stated by him, as by Shên in 1865, being, that its cultivation interfered with the production of food for the people.

The Chinese Government look with such disfavour upon the withdrawal of land from the cultivation of rice and grain, that in former years* prohibitory decrees have more than once been issued against the further extension of cotton cultivation in the Northern provinces; and I have lately been informed, on good native authority, that proclamations are now yearly put forth in the districts of this province, in which potatoes are grown, forbidding their cultivation, on the same ground of the tendency to encroach upon the cultivation of grain.

I have endeavoured, without success as yet, to get copies of the prohibitory proclamations that are issued by the local authorities of the poppy and potato districts, but I understand these proclamations attach no specific penalty to a breach of regulation, but are rather in the nature of official appeals to the understanding of the people, argumentative and admonitory in tone, and containing only vague and general threats of an unspecified punishment for the crime of disobedience.

If such be the case, it is not to be wondered at that their promulgation tends more to afford Chinese officials an occasion of extorting money from the pockets of producers, then to stop in any appreciable way the production of the forbidden staple.

I have been unable however to collect any reliable statistics whereon an approximately fair estimate could be made, of the extent to which foreign opium is affected at this port by the sale of its native rival, but I have little doubt that the competition of the latter has had much to do with the declining price of the former since 1866, and that at the same time the increased production of the native has lessened the importation of the foreign article. In 1866 the importation of Malwa was, in round numbers, 7,514 piculs and its average price Tls. 620.58 per picul; in 1867 its importation was 7,240 piculs, at an average price of Tls. 583.25 per picul, and in 1868, 6,879 piculs at an average price of Tls. 529 per picul.

Thus, since 1866, as regards Malwa, it is certain that a yearly diminishing importation has accompanied a yearly falling price, plainly indicating a decreasing demand for foreign opium; there is no evidence however of the decrease of opium smoking, but rather of its increase, and therefore it may fairly be inferred that the quantity of native opium has so much increased, or its quality so much improved of late, as to have shut out from this market a considerable amount of Indian drug. This inference too is much strengthened by the reference which the late edict makes to the spread of poppy culture over northern China.

In addition to the provinces enumerated in the edict, there is also ample evidence of extensive poppy cultivation in other parts of the Chinese Empire. It seems to have been carried on for many years in the extreme south west, in the province of Yunnan, the larger portion of which has thrown off its allegiance, and is now a practically independent kingdom, governed by a mahommedan named Tu Wên-hsin, who is styled by his subjects, I believe, the Hsi-pu Kwo wang.*

He has established his Court at the city of Tali fu, not far from the frontier of Burmah, called by the Chinese Mien-tien.

Szechuen has also been for years a great poppy-growing province, and the drug produced there very perceptibly affects the market at Hankow. When

* See the very able and interesting report upon the prospects of British Trade in China by Mr. W. H. Mitchell of Hongkong, published in the Blue Book on Lord Elgin's Special Missions (pp. 243—251), presented to Parliament in 1859.

* This title might be translated "King of the Consolidated West."

Lord Elgin visited this city in December 1858, he states (Blue Book 1859, p. 443) that he saw there "shops where native opium was openly advertised for sale." Mr. T. T. Cooper of Shanghai, in some notes on his travels towards India through central China, speaking of Szechuen says. "In spring the country was white with the flower of the opium poppy, now one of the staple productions of the province," and Mr. A. Wylie, the well-know sinologue, who has travelled lately in the same province, says in a letter to me upon this subject, "one fact I can vouch for, and that is the wide-spread use of the drug, and consequent degradation of the people. It was pitiable to see the victims of this practice coming to us asking for relief and desiring to be cured; and such were by no means confined to the lower classes. I believe the practice in Szechuen, as elsewhere, is very wide-spread among the literary and governing class." And again, "from all the information we could gather, it commenced in this province within twenty or thirty years past. In the Szechuen Tung-chi [statistical account of Szechuen] published in 1817, which gives a detailed list of the productions of the province, the poppy is not named. I do not remember seeing any foreign, though it is sold there; but at every market the farmers bringing their little lumps of native production were always to be met with. As far as I could learn the price ranged from 140 to 250 cash the tael weight."

Another vast region not mentioned in the edict of 1869, in which poppy culture has been spreading rapidly within the last few years, is eastern Mongolia and Central and Northern Manchuria, the drug thence brought down to the coast competing with Indian opium in the Newchwang market.

Thus, in the provinces of Yunnan, Szechuen, Shensi, Kansuh, Shansi, Honan, Shantung and Kiangsu, as well as in Manchuria and Mongolia, native opium is produced, and that its consumption by the Chinese is lessening the demand for Indian drug would seem to be indicated by the fact that in 1868, the total importation of the latter was less than it had been in 1867, by 4,788½ chests, representing a value, at the average ruling rate, of £1,903,612.

These figures are given in a letter that was published in the *North-China Daily News* of the 22 February last.

Native opium sells in Tientsin at from Tls. 125 to Tls. 200 per picul less than foreign, and though nominally prohibited, it pays a *li-kim* duty of Tls. 20 per 150 catties, foreign opium paying the same amount, in addition to the Tariff duty, on every hundred catties. This duty is imposed I believe according to an estimation of the comparative market values of the two products, 150 catties of the native selling for about the same price as 100 catties of the foreign.

With respect to this notorious "*li-kim*," [li-chüan, in Northern Chinese,] or irregular duty, which for years has been levied on foreign imports, in disregard of treaty provisions, at I believe, all the open ports, I may here mention that nominally it is an ad valorem tax of one-tenth per cent, but that in some cases it has been found to exceed the regular Tariff duty. Etymologically, it signifies "a contribution of one "*li*" per tael on the value of their purchases, made by Chinese buyers to the Chinese government, a "*li*" being the thousandth part of a "*liang*" or tael. The contribution however is compulsory and the term "*li-kim*," as indicative of the percentage charged, is a misnomer.

Opium is brought into Tientsin either crude or prepared. When in the former state it is generally spoken of as "tu," "earth or clay," from its outward resemblance to lumps or cakes of common clay, and the native as distinguished from the foreign, which is termed "Yang-tu," or "foreign earth," is called "Hsi-tu," or "western earth," a name that has clearly a geographical reference to the producing provinces.

Prepared opium, called "Ya-pien-kao" or "opium paste," is here generally composed of foreign and native drug boiled down, and often largely adulterated by an admixture of various glutinous substances, and amongst the rest by a decoction of the berries of a leguminous tree called the "Huai-shu," which grows abundantly in this province.

In the following table the comparative values of the goods imported direct from Great Britain, during 1867 and 1868, are given, and the imports themselves enumerated:—

Description of Goods.	1867. Values.	1868. Values.
Cotton Piece Goods	£66,500 19 0	£162,322 7 8
Woollens	10,332 16 8	7,771 0 0
Lead and Nail Rod Iron	.....	2,418 1 4
Umbrellas	.....	665 0 0
Window Glass	.....	565 5 0
Matches	.....	315 14 4
Needles	.....	68 8 0
	£76,833 15 8	£174,125 16 4
Total Increase in Value of direct imports in 1868	.....	£ 97,292 0 8

It is satisfactory to observe that this direct trade which was only born, so to speak, in 1867 (for a tentative shipment from Liverpool in 1861, when the port had but just been opened, need not be taken into consideration), and is still in its first infancy, shows such signs of

vigour that its value in the second year of its existence more than doubles that of its first. The chief impediments to the development of this direct trade are, as I have already pointed out in former reports, partly physical and partly political. The difficulty of access to Tientsin for the nine months during which the port is open, caused by the existence of the Taku Bar and dangerous proximity of the Shalintien shoals, together with the closing of the port by ice for the remaining three months of the year, may be said to constitute the physical, and the persistent refusal of the Chinese Government to facilitate in any way the development of trade in coal, the political impediment.

The difficulty of access might be lessened by the erection of a light-house on Shalintien, and by dredging the Taku Bar; whilst the inconvenience caused by the necessity imposed on merchants, through the closing of the port by ice, of laying in a large winter stock of goods, on which duties must be paid at once, but the sale of which may be spread over a period of three or four months, might be got rid of, as I pointed out last year, by the establishment of a bonded warehouse system, one under which the goods could be stored in the merchants' own godowns under Customs' supervision, being, if possible to establish, the most preferable.

Thus the physical impediments might be virtually done away with, and the public would gladly hail any indication of an intention or desire on the part of the Chinese government to remove the political impediment, but none such can be discerned; nor indeed, however obvious the remedies for the physical ills above referred to, which hamper the growth of the direct trade at this port, is there much prospect at present of those remedies being applied.

EXPORTS.

Less Produce and more treasure were exported in 1866, than in 1867—thus in 1867 the value of produce exported was..... £387,345.14.4
and in 1868 it was..... 299,618.18.4

Showing a decrease in 1868 of ..... £ 87,726.16.0

but in 1868 the value of treasure exported was £1,568,357.17.0
and in 1867 it was 1,068,985.18.4

Showing an increase in 1868 of ..... £ 499,371.18.8

So that if the aggregate values of produce and treasure for each year be compared, it will be found that the value of the Export Trade in 1868 exceeded that of 1867 by .....£ 411,645.2.8.

The following table describes generally the kinds of produce exported, their chief ports of destination, and the values of the respective quantities exported in 1868.

TABLE No 12

Description of Export.	*Destination.*	*Value.* £
Furs and Skins, sheep chiefly	Shanghai	57,314 9 0
Raw Cotton	Swatow and Foochow	39,932 12 4
Tobacco	Shanghai and Foochow	39,587 15 4
Young Deer Horns	Shanghai and Canton	24,019 3 4
Medicines	Shanghai and Hongkong	23,155 18 8
Dates	Do.	19,839 16 0
Almonds	Shanghai	19,331 4 8
Felt Caps	Shanghai and Foochow	14,918 16 0
All other Produce	Coast Ports and Hongkong	61,519 3 0
Total value of Produce exported in 1868		£ 299,618 18 4

Only about 480 Tons of coal were exported last year, or rather purchased, duty paid, by the Shanghae steamers, for consumption between that port and Tientsin.

A large Export Trade in coal from this port would speedily spring up, were permission granted to work the Chai-tang and other mines near Peking with foreign machinery, and to improve the means of communication between the producing districts and the coast (for the quality of the coal is excellent, the demand great, and the supply practically unlimited) but all attempts to do so have hitherto been foiled by the determined opposition of the Government to the employment in the interior of foreign agents, or foreign machinery.

Last year, for instance, a proposal which had been made for the construction of a good cart road between Chai-tang and Tûng-chow on the Peiho, the expense of which was to be defrayed in the first instance by certain foreign merchants, and repaid to them gradually out of the coal duties, was rejected by the Tsung-li Yamên, on the ground mainly that such a work would be injurious to the "Fêng-shui," or, as Westerns might say, the "Good Luck" of the surrounding country.

One might imagine this objection being raised by an ignorant populace; but when Chinese statesmen, appealing to the convenient "vox populi vox Dei" principle, condescend gravely to urge the "Fêng Shui" superstition as a conclusive argument against any improvement, it is clearly useless, so far as reasoning goes, to impress upon them

any further the advantages of such improvement, in the hope of thereby inducing them to adopt it.

RUSSIAN TRANSIT TRADE.

The total value of the Tea (Brick, Black, and Green) brought *viâ* Shanghai to Tientsin for conveyance hence to Kiachta, in 1868, was £252,590.8.0; and, according to the Returns, it would seem that the Trade in Russian woollens, brought here overland from Kiachta for shipment to other Chinese ports, had virtually ceased last year.

There are certain interesting circumstances connected with this Russian Trade which are well worth recording, but as, pending the result of some enquiries that I am now making, I could at present give only an incomplete account of them, I shall reserve my remarks for a supplementary Report.

3.—MISCELLANEOUS.

Grant's Transmongolian Post.

The number of telegrams transmitted *via* Kiachta by Mr. Grant, to and fro, between Europe and China in 1868, was in all 1,158, showing an increase of 302 telegrams upon the number sent by this route in 1867. The time occupied in the transmission of a telegram between London and Tientsin was fifteen days, and this year the proprietor has reduced it to twelve days.

The Imperial Arsenal and Tientsin Foundry.

I annex a copy of the ground plan of the former, reduced by Mr. Acting Vice-Consul Goddard from the original plan, which was lent to me by Mr. Buttle, Chief Engineer of the Establishment, who has also furnished me with the following information respecting the progress of the works. "There is now in course of erection one Salt-petre Refinery, one set of composition mills, one building for burning and prèparing charcoal for gunpowder, and one group of four incorporating mills; also three buildings for the manufacture of percussion caps. In addition to these buildings is being erected a mechanic's shop of large dimensions for the manufacture of guns, shot, and shell, and engines, or what the Chinese Government like to adapt it for."

It is thought that the arsenal will be in working order by the end of 1870. The number of Europeans at present connected with the Establishment is, in addition to the Superintendent, four engineers, and two powder-makers, already here, and two cap-makers, and a Smith now on the way from England.

The Tientsin Foundry was established by Chunghow in 1866, at the Treaty Joss House, and has been in fair working order for the last year, during which time it turned out five hundred cavalry lances, and six twelve-pounder copper howitzers, with carriages and limbers complete, all made by Chinese workmen with the aid of the requisite foreign machinery, and under the superintendence and instruction of an English engineer.

In addition to the ground plan of the arsenal [which is an Imperial, whilst the foundry is but a local, institution] I annex also translations by Mr. Assistant Howlett of the two edicts, respecting the removal of the duty on imported rice and the prohibition of poppy culture, to which I have referred in this report.

H. B. M. Consulate.
Tientsin, 16th April, 1869.

J. MONGAN,
Consul.

IMPERIAL DECREE granting permission to native craft to export Rice from the ports of Chiang-su to Tientsin free of duty.

On the 3rd January 1868, the Great Council had the honor to receive the following Decree:—

"The Board of Revenue having memorialized us on the subject of their deliberations on the report of Hsü-shen-hsi, a Yu-tsau-shan respecting the collection of grain supplies, it becomes incumbent on us to issue an order directing the Viceroys and Governors of Chiang-su and Chê-chiang to devise means for the speedy purchase and conveyance by sea to Tientsin of several hundred thousand piculs of rice."

"It appears also from a memorial presented by Pêng-tsu-hsien, a Shaochîng of the T'ae-poo-szu, that the low price of grain in the South East is detrimental to the interests of the farmers, and it is desirable that arrangements should be made for providing adequate supplies for the capital; he also prays that in order that the distribution of food may be equalized, such instructions may be sent to Chiang-su, as may induce merchants to purchase and export grain."

Heretofore the regulations prohibiting the exportation of rice from places on the sea coast have been exceedingly stringent, but looking to the very great difference between the present cost of rice in the South and in the North, and taking into consideration the fact that, if native vessels be permitted to follow one another in succession in purchasing and transporting grain to the capital, it will have great effect in securing an uninterrupted supply of food for the people, it seems expedient that under existing circumstances there should be a general modification [of the prohibitory Rules.]"

"We therefore command the Governor-General of the two Kiang and the Governor of Chiang-Su to lose no time in

conveying our orders to the Intendant of the Soo-Sung-Tae circuit, directing him to instruct the Sub-Prefects and District Magistrates on the Sea coast to issue proclamations inviting and permitting Chiang-Su and Tientsin junks, as well as those of Fu-chien, Ningpo, and Kwang-tung to export rice, for sale in Tientsin from Shanghai, and other ports (of Chiang-Su) under passes from the local officers exempting it from the payment of maritime and other dues, so that numbers may be induced to come."

"Respect this,"

Translated by

H. G. HOWLETT.

IMPERIAL DECREE prohibiting poppy culture, dated 31st Jan., 1869.

The Censor Yu-Pao-Chùan has presented a Memorial praying that, with a view to the preservation of the lives of the people, orders may be issued strictly prohibiting the cultivation of the poppy plant.

The cultivation of the poppy is injurious since it is an obstacle to the production of food for the people. It was first introduced from Kansuh into Shensi and Shansi, and by slow degrees came afterwards to be grown in Chiang-su, Honan, and Shantung.

Now, if the multitude, greedy of gain and regardless of injurious consequences, look only to that which is immediately before their eyes, it appears probable that in the end all the rich and fertile estates will be planted with this useless article, and that the people will find great difficulty in procuring the means of subsistence.

We have on a former occasion, issued a stringently prohibitory notification on this subject, and we now direct all Governors-General, and Governors everywhere and without delay, to instruct the officers under them again, to use the utmost deligence in publishing proclamations altogether forbidding (the cultivation of the plant.)

Should there be any lawless criminals who wilfully disobey, they must receive the punishment which their offence merits, and if the different Sub-Prefects, and Districts Magistrates fail to act with sincerity in this matter, and allow their underlings and attendants to gloss over or to hide or screen (acts of disobedience) we further command their official superiors rigorously to report such conduct to us, and so to deal with cases of the kind that there may be no connivance or concealment of any sort.

Let this decree be published.

Respect this,

Translated by

H. G. HOWLETT.

SUPPLEMENTARY REPORT ON THE RUSSIAN TRANSIT TRADE AT TIENTSIN.

By the Trade above mentioned is meant that portion of the trade between Russia and China which is carried on *vid* Kiachta and the more southern Chinese ports, chiefly Shanghai and Hankow. Its great constituents are tea, principally Brick, bought and prepared in Hukuang,* and shipped from Hankow to Shanghai and this port, for conveyance hence to Kiachta, and on the other hand, Russian cloth, received here overland from the last named market and exported from this to other Chinese ports.

By the 3rd article of the Treaty that was signed at Tientsin on the 1st to 13th June, 1858, Trade between Russia and China was established not only by land but by sea. By the previous Treaty of Kuldja of the 25th July 1851, the towns of Ili, or Kuldja, and Yarbagatai, or Chuguchak, both belonging to the remote Government of Ili, in north western Tartary, and both distant more than 3,000 miles from Peking, had already been opened to Russian merchants, and by the subsequent convention of Peking, of the 2nd and 14th November, 1860, the Mahometan city of Kashgar in Chinese Turkestan [now no longer Chinese] was also opened, upon the same footing as Ili and Yabagatai, trade being further permitted, by this convention, under certain limitations, at Urga, in outer Mongolia, and at Kalgan, or Chang-chia-k'ow, in the province of Chili.

Up to the year 1861, however, the great centre of the Russo-Chinese trade was the frontier town of Kiachta in Eastern Siberia, where a corporation of Russian merchants, exclusively of first† class guilds, had monopolized the barter trade with China, for more than half a century, carrying on commercial intercourse with a similar body of Shansi merchants, who were established at the adjoining town of Mai-mai-ch'ên, just within the Chinese frontier, and separated only from the Russian town by an open square of neutral ground.

As the trade between these two towns, originally confined chiefly to an exchange of Russian furs for Chinese silk and cotton fabrics, changed gradually into a tea and cloth trade and assumed greater dimensions, the Russian Government found it necessary, in 1854, to permit, to a limited extent, the exportation of gold and silver bullion [which had previously been strictly prohibited, in order to force the Chinese to buy Russian furs and manufactures] and subsequently in 1861, to legalize the exportation of gold and silver coin.

Thus the Kiachta trade ceased to be a barter trade in the year which witnessed the inauguration of foreign trade at the new Chinese ports upon the Yangtsze, and the Gulf of Pechili.

The monopoly also was abolished in 1861, and since 1862, when the frontier Custom House was removed from Kiachta to Irkutsk, tea has entered that portion of Siberia which lies Eastward of Lake Baikal, free of duty.

About this time, moreover, the Russian tea duties were reduced, and, in spite of strong protests from Kiachta, the importation of sea-borne tea into European Russia was legalized on the 1st and 13th April 1862, in order to put a stop, if possible, to the enormous contraband trade in this staple, which had notoriously been carried on for years, fostered partly by the high Tariff and partly by the extravagant price that the Russian consumer had been charged for his tea by the Kiachta monopolist.

It was the same conviction of the expediency of regulating a traffic which it is futile to prohibit, that, no doubt, had induced the Russian Government to permit previously, in 1854, a limited exportation of the precious metals, for which a great demand had risen amongst the Chinese merchants in the preceding year. This demand was caused chiefly by the irruption of the Taiping Rebels into North China in 1853, and the consequent disturbed state of the country, which naturally induced the dealers of Mai-mai-chên to exchange their teas for

* i. e. Hunan and Hupei. These two provinces were formerly united under one name Hukuang, and are both under the government of an officer whose title is still the Governor General of Hukuang. Some transit tea may come from Hunan, but as it comes chiefly, I believe, from Hupei, I shall speak of it as Hupei tea in this Report.

† All Russian merchants as distinguished from retail dealers, are distributed into guilds of the first, second, and third class, and hold certificates of membership from the civil authorities of the cities or towns which are the Head Quarters of their respective guilds. At Tientsin, for instance, one Russian merchant belongs to the first guild of Selinginsk, and another to the second guild of Kiachta.

articles of great value but small bulk, such as gold and silver, in preference to those bales of merchandize that had willingly been taken in more peaceful times.

The Taiping Rebellion also exercised another influence on the Kiachta trade, attended with results as unlooked for by, as they were unfortunate for, most of the merchants at Mai-mai-ch'ên. Previous to 1853, Fukien tea alone had been taken to Kiachta for sale, but from 1853 to 1856, its price had risen about 50 per cent, owing to the proximity of the Taipings to the tea producing districts of that province, and as access to those districts became more difficult, some purchases were made of Hunan and Hupei tea. The chests destined for Kiachta were then half filled with this tea, and filled up with Fukien, after which they were sold by the Chinese to the Russians as pure Fukien tea. Thus, through the temporary pressure of the Rebellion, Hupei tea was first taken to Kiachta under false pretences; but the mixed lots sold so well that some seven or eight of the more far-sighted Chinese, anticipating that the new tea would suit the Russian taste better than the old, began openly to import it, though the great majority still imported the Fukien. The result proved disastrous for the latter, who sustained heavy losses, amounting, I am informed, to more than two millions of taels, in consequence of the marked preference of the Russians for Hupei tea.

The establishment of foreign trade at the Yangtsze and Northern ports, moreover, in 1861, under the then lately made treaties and conventions, and the facilities for safe and speedy sea transport to Tientsin, soon afterwards afforded by the coast steamers, induced Russian merchants ere long to take advantage of the new state of things, and to establish themselves at Hankow and this port, so as to compete with the Shansi dealers in supplying the Kiachta market, a competition in which they have admirably succeeded. An intelligent Chinese, connected himself with the Rusian tea trade, and from whom I obtained the information above given respecting the manner in which Hupei displaced Fukien tea, at Mai-mai-ch'ên, has informed me also that, in 1863, when the Russians set up in business for themselves at Hankow, the Shansi hongs at the frontier market that some years before had numbered about one hundred, were reduced to sixty or seventy. He states, moreover, that in 1864 the Russians had learned how to make brick tea, that in 1865, more than half the quantity sent viâ Tientsin to Kiachta, prepared by themselves in the interior of Hupei, proved of better quality than the native made article, and that since 1866, all the brick tea received here for transport to Siberia has been prepared by Russians or under their supervision. My informant further states that at present only four of the old Shansi hongs at Mai-mai-ch'ên remain, and his opinion is that the Chinese cannot compete with the Russians in the trade, because in transit to Kiachta Russsian-owned is taxed lighter than Chinese-owned tea.

The Russian Transit Trade at Tientsin, which has thus grown up within the last few years, under the favorable conditions above referred to, has been conducted hitherto under the Land Trade. Regulations framed by M. Balnzac and the Prince of Kung on the 20th February, and 4th March, 1862, under which some important concessions were also obtained for Russian traders at Kalgan and in Mongolia. Under article 10 of these Regulations, Chinese produce purchased by Russian merchants at other ports and brought to Tientsin, for transport to Kiachta, had to pay the full export duty, fixed by the general tariff of 1855, at the port of shipment, and an additional half duty at Tientsin. But, from the 15th April 1866, this half duty was abolished, and since that date the only duties payable on teas exported by Russian merchants from Shanghai, or any of the other open ports to Kiachta viâ Tientsin are—

1st—The General Tariff Duty of 2.50 per picul [16s. 8d. per 133⅓ lbs.] on all kinds of tea other than brick tea, and

2ndly—A special duty on brick tea of 6 mace per picul [4s. per 133⅓ lbs.] fixed by the supplementary Russian Tariff of 27th Feby., and 11th March 1862.

This abolition of the half duty in 1866 had, as might have been expected, a very noticeable effect in stimulating the transit of brick tea to Kiachta by Russian agency, as shewn by the Foreign Customs' Returns.

Prior to that year indeed brick tea landed here for the Siberian market was not entered separately in the Returns; but, assuming that the whole quantity yearly imported in foreign bottoms was sent to Kiachta, the contrast shewn between the annual importations of the period preceding, and the period succeeding, the abolition of the half duty, is very marked—

thus in 1862 the importation was	lb.	1,485,027
„ 1863...	„	1,626,337
„ 1864	„	1,604,725
and „ 1865...	„	1,647,888

Such were the total quantities imported each year in the 1862 to 65 period and assumed to have been imported for Kiachta. From 1866 to 1868, on the other hand, the quantities of brick tea, known to have been imported for Kiachta, were—

in 1866	lb.	2,399,291
„ 1867...	„	8,679,501
and „ 1868	„	7,083,029

The above figures for the 1866-68 period, however, do not represent the actual quantities prepared in each of those years at Hankow for transit to Tientsin, and need here a corrective remark. The great importing season for brick tea at this place being November and the beginning of December, just

before the Peiho freezes, it may so happen that, from the early appearance of the ice, or, from a temporary want of accommodation in the steamers, the whole of some year's intended supply cannot arrive here within that year, and that the quantity thus shut out during the winter is brought up in the following Spring.

That this was actually the case in 1867, I have been informed by M. Skattschkoff, the Russian Consul at Tientsin, who is a good authority, as he issues the certificates—countersealed afterwards by the Chinese Authorities—under which the tea is passed to Kiachta.

Had all the 1866 tea then arrived within the year, the Returns would have shown a still greater contrast between the importation of 1866, and that of the preceding years, and would have proved also, I believe, that 1867 fell short of 1868. Now, though a British or any other Foreign merchant, the subject of a Treaty Power, might, I presume, under the favored Nation Clause, send brick tea to Kiachta, on payment of the Special Tariff duty of six mace per picul, a Chinese subject cannot do this, but is placed at a disadvantage with the foreigner, as far as duties are concerned, whether he import his brick tea into Tientsin in native or foreign bottoms.

If he import it in foreign bottoms, he must pay six mace at the port of shipment, and in addition he must pay certain duties at each inland customs barrier between Tientsin and Mai-mai-ch'ên, for the half duty was abolished only with reference to Russian-owned Chinese produce. In this case, therefore, there can be no doubt that the Russian is protected against the Chinese trader.

If, on the other hand, his tea arrive by junk, not to mention any duties which he may have to pay at the port of shipment, he must certainly pay customs dues and Lekim at Tientsin, and pay the former again at Tung-pa, Nankow, and Chang-chia-k'ow.

At the native Custom House at Tientsin, teas pay according to their quality, viz., three mace per picul on first, two mace per picul on second, and one and a half mace per picul on third class teas. The Chinese importer then, in this case, would have to pay at the native Custom House here, a duty of two mace per picul, —as brick tea is considered to belong to the second class of teas, and he would probably have to pay the same, or nearly the same, amount at the three other places above mentioned. I have been unable to ascertain what is the scale of duties leviable on tea at Tung-pa, Nankow, and Chang-chia-k'ow, but it is certain that an inland duty would be levied at the Custom's Stations at these places, and I think it may safely be presumed that the aggregate of the four duties and Lekim, payable by Chinese-owned break tea, brought by junk to Tientsin en route for Kiachta, added to the public charges at the port of shipment, would certainly exceed six mace per picul, and that my Chinese informant was right therefore when he said that natives were taxed heavier than foreigners (in this branch at least) in the Kiachta trade.

With regard to the Chinese nomenclature of native Custom Houses in this province, I may here remark that the central Custom House of a Custom District is called a "Kuan-k'ow," or Ta-kuan," 關口大關 and that under it are placed a number of subordinate Customs' stations, called "Shui-chü-tsze," or "Tzû-k'ou," 稅局子子口 charged either with the collection of certain duties, or simply with the examination of goods, on its own line of approach by road or river, to the Central Custom House. If the subordinate station be for examination only, it is called also a Chi-ch'a-k'ow 稽察口; and the examiners, it would seem, rely not so much upon their regular wages, at these last named stations, as upon the irregular fees which they receive from traders to pass their carts or boats.

The Russian Transit Trade, however, is not confined to brick tea, as the following table, which gives the quantities and values of the teas sent through Tientsien to Kiachta, from 1866 to 1868 inclusive, will show,—

TABLE No. 1.

Description of Tea.	1866.		1867.		1868.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Lbs.	£	Lbs.	£	Lbs.	£
Brick	2,399,291	68,380	8,679,501	226,752	7,083,029	168,222
Black	1,427,321	94,916	1,114,047	66,146	1,766,756	83,921
Green	—	—	—	—	5,095	447
Total	3,826,612	163,296	9,793,548	292,898	8,854,880	252,590

The next table shows the total quantities of the various kinds of tea imported into Tientsin in 1868, by foreign vessels, discriminating the quantities and values

of the teas subsequently sent to Kiachta, from those retained in this market for local consumption,—

TABLE No. 2.

Description of Teas imported in 1868.	Total Imports.		For the Kiachta Market.		For the Tientsin Market.	
	Quantity.		Quantity.	Value.	Quantity.	Value.
	Lbs.		Lbs.	£	Lbs.	£
CHINESE—						
Black	2,022,053		1,766,756	83,921	255,297	12,126
Brick	7,083,029		7,083,029	168,222	—	—
Green	15,526		5,095	447	10,431	917
Dust	32,346		—	—	32,346	230
JAPANESE—						
Green	577,950		—	—	577,950	6,040
Dust	52,620		—	—	52,620	350
Total	—		8,854,880	252,590	928,644	19,763

Of the Chinese teas specified in the above table, all the brick and green, and nearly all the black, were imported from Shanghai, and nearly all the dust from Hongkong; a small quantity of Japanese green tea came *viâ* Shanghai, and of dust *viâ* Hongkong, the rest coming direct from Japan.

The quantity of tea required for Tientsin itself, with its 400,000 inhabitants, not to speak of other cities which receive their supplies chiefly through this market, must greatly exceed the comparatively small portion imported for local consumption, as shown in Table No. 2, and, as far as I can learn, the balance of the year's supply was brought up partly by the Koku junks and partly by the rice junks. These latter are permitted to import a certain quantity of general cargo free of duty, four-fifths of the hold of each being set apart for the tribute rice, and one-fifth allowed to be laden with the duty free goods, of which unfortunately no detailed account is kept.

Whilst the abolition, in 1866, of the half duty on tea, sent by Russian merchants *viâ* Tientsin to Kiachta has, as above shown, greatly increased the Russian Transit trade at this port, the legalization of the importation of sea-borne tea into European Russia has, doubtless, on the other hand, diminished the general import Trade at Kiachta. Mr. J. S. Lumley, late Her Majesty's Secretary of Embassy at St. Petersburgh, in his valuable report upon the Russian Tea Trade, presented to both Houses of Parliament in 1867, has proved by an exhaustive analysis that tea reaching Moscow from Kiachta costs much more per lb. than tea of the same quality reaching the former city by way of London, Königsberg, or Hamburg; and the conclusion he arrives at is "that although the "Kiachta Trade may still be able to "meet, with profit, the demand for tea in "Siberia and the most Northern Pro-"vinces of Russia, it cannot compete with "the European Trade, by which the "Southern and Western Provinces of "Russia are now supplied." Mr. Lumley must have been misinformed, I think, with regard to the manufacture of brick tea, or my enquiries at least do not bear out his assertion, when he says that "the tea leaves are dipped in sheep's "blood, kneaded into a kind of paste, "and pressed into cakes of the form of "bricks or tiles." The Russian Consul informs me that it is made simply by pressure, and that the old leaves of the tea plant are better suited for it than the young, as they contain more viscous matter. Mr. C. M. Grant of Kiachta also, a resident at the great brick tea depôt of Eastern Siberia, thus describes its fabrication. "It is made of the coarser leaves "and upper branches of the tea plant, "and does not undergo the various pro-"cesses of manipulation and dessiccation "to which black and other teas prepared "for European consumption are subject-"ed, but, when in its natural state, is "moistened by a simple application of "steam, and then compressed in wooden "moulds into the form of bricks, whence "its name." These bricks "are piled "up in stacks so as to allow a free cur-"rent of air to circulate through and "around them. In this manner they "are dried in a place protected from the "rays of the sun. The bricks when "quite dry are each wrapped in paper, "and then made up into lots of 36 bricks "each, and packed in matted packages "or baskets." Large green brick tea is thus prepared, according to Mr. Grant, and the two other kinds, viz: Small green and black, are prepared in the same manner. The small is of better quality than the large green, from more care being taken in the selection of the leaves, and the black is "fabricated from "the powders which remain from the "black teas prepared for the European "markets."

A brick of large green is 13 inches long, 6½ inches broad, and 1¼ inches in thickness, a brick of small Green or Black being 8½ inches long, 5¼ broad, and ⅞ of an inch thick.

Mr. Grant further states that "a "Mongol tests the soundness of Tea by "placing a brick on his head, and pull-"ing the extremities downwards with "both hands; if the brick does not break, "or give, it is sound; if it breaks, or "bends, it is comparatively worthless.

I may add that Brick tea is the currency of the Mongols, and that travellers who intend passing through their country should take with them a supply of

this article, as useful in Mongolia as coin or circular notes are in Europe.

Russian Cloth.

From the opening of this Port to 1865 inclusive, the quantities of Russian Cloth sent from Tientsin to other Chinese ports were included in the General Return of Exports, but since 1866, they have appeared in the Returns as Foreign Imports re-exported. This Russian Cloth is a close woven woollen fabric of heavy texture, used much more in Northern than in Southern China, it is called Ka-la 哈拉 by the Chinese, and each piece is about sixty yards long and two wide, exclusive of selvage. Three descriptions of it viz. Green, Dark-Blue, and Scarlet may be commonly bought in the shops of Tientsin, where it is sold at so much per Chinese foot, Tailor's measure *

The Green Ka-la is used chiefly for covering the official chairs of the higher Mandarins; the Scarlet, of which there is a greater consumption, for purposes of upholstery and for female wear, and the dark Blue, called by the Chinese—"Yea-wei-ch'ing," 燕尾青 or "swallow tail Blue" is in most demand, the "Ma-kwa," or short outer jackets, of the well-to-do natives, being often made of this cloth.

The present prices of these three descriptions of Ka-la, in the retail shops of Tientsin, calculated at an exchange of 1,000 copper *cash* per Mexican Dollar at 4s. 2d., are :—

	Cpr. Cash.	*per T'lr's ft.*
Green Ka-la.....	1,300	= 5s. 5d.
Dark-Blue do. ...	1,200	– 5s. 0d.
Scarlet do. ...	1,150	= 4s. 9½d.

In 1866, 1,040 pieces of Ka-la were exported from Tientsin to Shanghai and Foochow, and in 1867, the exportation 1,776 pieces, whilst in 1868, according to the Returns, not only was there none exported, but there was a net importation by sea of 197 pieces. These were sent here from Hankow to meet a sudden rise in price in the Tientsin market, caused by a diminution in the supply received overland from Kiachta, which amounted last year to only 651 pieces.

This falling off in the export of Ka-la from Tientsin to the more Southern Ports, was caused, I believe, by its having lately been exported more largely from St. Petersburg to China by sea, as the cost of conveyance by water is much cheaper than by land.

As so much of the Tea that is now sent to Kiachta is also no longer purchased at Mai-mai-ch'ên, but in Hupei, it is natural that this tea should be partly paid for by Russian Manufactures conveyed by the cheapest route to Hankow, the great port of that Province.

Under this state of things then, it seems probable that the Southern Chinese ports will in future receive by sea, such Russian broad cloth as they may require, and that Tientsin will still draw its supply from Kiachta; for cloth brought from the latter to the former place pays but *two-thirds* of the General Tariff Duty according to the Land Trade Regulations of 1862, the remaining third being paid only if the said cloth be shipped at Tientsin for the other coast ports. Thus, in this case, the lighter tax may counterbalance the greater cost of land conveyance.

Russian owned merchandize passing to and fro between Kiachta and Tientsin must follow the prescribed route by Kalgan, Tung-pa (near Peking) and Tung-chow. The traders on passing through Kalgan, may deposit there one-fifth of the merchandize entered for Tientsin, giving due notice to the local Chinese Superintendent, and receiving from him a permit to sell these goods in Kalgan. The goods so retained there for sale, pay, as at Tientsin, only two-thirds of the General Tariff Duty, and the Regulations provide that the Russians are not to form regular mercantile establishments at the place.

Notwithstanding this, it may be seen, by opening "Morris' Hongkong Directory for 1869," that Kalgan contains at least two Russian firms, with regular hong names in Chinese characters, like any of the mercantile firms at Shanghai, and it is also worthy of remark that whilst Chinese goods bought by Russian merchants at Tientsin, or Tung-chow, for transport overland to Russian territory, pay an export duty equal to that levied according to the general tariff of 1858, the same kind of goods, bought by the same class of merchants, at Kalgan, for the same destination, pay an export duty equal to only half the export duty levied according to the same general tariff.

J. MONGAN,
Consul.

Tientsin, 26th May, 1869.

* Two foot measures are in common use in Tientsin viz :, the "T'sai-ch'ih," or "Tailor's foot," equal to 13 3/10 English inches, and the "Mu-ch'ih," or "Carpenter's foot," equal to 12 English inches.

The Chinese "Ch-ih" in the calculations of the Tariff of 1858, is held to equal 14 1/10 English inches, but the local variations from this standard throughout the Empire are innumerable.

1868.

(A.)

DIRECT TRADE.

Imports and Exports.

General Imports, British and Foreign.	General Exports, British and Foreign,	Total, General Imports and Exports.	British Imports, as distinguished from Foreign.	British Exports, as distinguished from Foreign.	Total British Imports and Exports, as distinguished from Foreign.	Remarks.
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
355,803 13 8	32,497 12 0	388,301 5 8	333,533 15 8	32,497 12 0	366,031 7 8	The direct imports were from England, Hongkong, Singapore, Japan, and Russia. The exports were to Hongkong only, for probable re-exportation to other Chinese Ports.

[11]

Treasure.

	£		£
Imported from Great Britain or British Colonies	Nil.	Exported to Great Britain or British Colonies	Nil.
Imported from other Foreign Countries	Nil.	Exported to other Foreign Countries	Nil.
Total Treasure Imported	Nil.	Total Treasure Exported	Nil.

Total Treasure Imported and Exported..... .... £ Nil.

H. B. M. Consulate,
Tientsin, 16th April, 1869.

J. MONGAN,
Consul.

1868.

INDIRECT TRADE.

(B.)

COAST OR RIVER TRADE.

Imports and Exports.

General Imports, in British and Foreign Vessels.	General Exports, in British and Foreign Vessels.	Total General Imports and Exports, in British and Foreign Vessels.	Imports in British Vessels, as distinguished from Foreign.	Exports in British Vessels, as distinguished from Foreign.	Total Imports and Exports in British Vessels, as distinguished from Foreign.	Remarks.
£ s. d.	£ s. d.	£ s. d.				The value of Tea, entered at Tientsin for transport to Kiachta, is not included in this summary in 1868 is was £252,590 8s. 0d.
4,849,470 10 4	267,121 6 4	5,116,591 16 8	Not ascertainable.	Not ascertainable.	Not ascertainable.	

Treasure.

	£ s. d.		£ s. d.
Imported in British Vessels	682,662 14 4	Exported in British Vessels	1,568,357 17 0
Imported in Foreign Vessels		Exported in Foreign Vessels	
Total..... ....£	682,662 14 4	Total..... ....£	1,568,357 17 0

Total Treasure Imported and Exported in British and Foreign Vessels .... £ 2,251,020 11s. 4d.

H. B. M. Consulate,
Tientsin, 16th April, 1869.

J. MONGAN,
Consul.

(C.)

1868.
SHIPPING RETURN.

BRITISH.

Entered.				Cleared.				Total Entered and Cleared.			
Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.
129	49,024	not recorded in 1868.	not separately ascertainable.	129	49,024	not recorded in 1868.	not separately ascertainable.	258	98,048	not recorded in 1868.	not separately ascertainable.

FOREIGN.

Entered.				Cleared.				Total Entered and Cleared.			
Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.
170	60,053	not recorded in 1868.	not separately ascertainable.	168	59,787	not recorded in 1868.	not separately ascertainable.	338	119,840	not recorded in 1868.	not separately ascertainable.

Total British and Foreign Entered:—
Number of Vessels.....299
Tonnage 109,077
Number of Crew .....Not recorded.
Value of Cargo .....£ Included in Total.

Total British and Foreign Cleared:—
Number of Vessels.....297
Tonnage 108,811
Number of Crew .....Not recorded.
Value of Cargo .....£ Included in Total.

Total British and Foreign Entered and Cleared:—
Number of Vessels.....596
Tonnage 217,888
Number of Crew .....Not recorded.
Value of Cargo .....£ 8,008,504 1s. 8d.

H. B. M. Consutate,
Tientsin, 16th April, 1869.

J. MONGAN,
Consul.

CHEFOO.

SIR,—I have the honor to forward the Returns of Trade at this port for the year 1868, and am happy to be able to report most favorably thereon. A decided increase is shewn in all the principal articles of import, but the chief feature in the Trade is the great increase in the importation of English manufactured cotton and woollen goods.

The quantity of cotton goods imported in 1868 was nearly 900,000 pieces, while the total imports of the same article in 1867 was about 330,000. The increase since the year 1864 has been steady, but the great jump of over 500,000 pieces this year is most marked. The question that naturally suggests itself is whether such a sudden expansion of trade is the result of a transitory cause, or is based on a legitimate development of the use of English woven cotton cloths by the Chinese of this Province. Considering that Chefoo is the port of entry for a commercial system that enumerates over fifty millions of human beings as its constituents for the means of being clothed, the consumption of 1868 does not seem at all disproportionate, and it might be presumed that such a vast mass of people would consume still more largely English manufactures, provided they found it more economical to do so than to buy native woven cloths. The fact of the Chinese drawing such large supplies of Foreign cotton goods through Chefoo, would be presumptive evidence that such goods stood them in at a lower price than their own fabrics.

In this case, however, no such theoretical investigation is required to bring out the truth. The fact is evident that Chinese manufacturers, during 1868, have not been able to compete against the moderate prices at which English cotton cloths have been sold. The equivalent weight of Chinese cotton cloth represented by a piece of 8¼ lbs. Grey Shirtings could not have been produced this year under Tls. 3.30, whereas the English Cotton Cloth has been sold at an average of Taels 2.20, or at two-thirds of what a Chinaman would have had to pay for the cloth woven in his own country. Nor is this a very exceptional state of affairs, nor likely to turn adversely to the continued consumption of large quantities of English goods. The calculation of the comparative cost of English and Chinese cotton goods is based on the price of cotton being this year Taels 15 a pecul; and in order to enable the Chinese weavers to compete with the product of English looms, the price of the raw material ought to fall to Taels 10 a picul, which would be below the average value of cotton in the North of China. There seems therefore solid ground for concluding that the increased trade of Cotton goods in 1868 is a legitimate expansion of the use of English Cotton Cloths in this part of China, and that a still further increase of consumption may be confidently expected.

The direct trade from Great Britain has now a permanent footing at this port, and the credit of forming it is due entirely to the firm of Fergusson & Co British Merchants who have been established here since the opening of the port; and whose energy and perseverance in developing British Commerce in North China is deserving of the highest praise. This year nine vessels have reported direct from England, with cargoes of Coal, Metals and Piece Goods. The result of importing direct from England has proved so satisfactory, that I hear other of the British Firms have followed in the footsteps of Fergusson & Co. Goods by direct shipment are laid down here so much cheaper than if imported from Shanghai, the freight by steamer from the latter Port being as great as that charged all the way from England, to say nothing of the additional Insurance, &c., &c. The arrival at one time of such quantities of goods it was thought would swamp the market, it is most satisfactory therefore to see that these anticipations have not been realized, and that this part of China can absorb such a great quantity of English manufactures.

In Woollens and Woollen and Cotton Mixtures there also appears to be a large and steady increase. In 1865,—19,145 pieces were imported. In 1866,—12,873. In 1867,—30,843. In 1868,—50,096.

The import of Raw Cotton merits some notice here, as it bears special reference to the consumption of Cotton Goods, and though the quantity imported is not of much consequence in itself it exhibits a proof that this Province receives Cotton or Cotton Goods for its clothing, and consequently the consumption of Foreign Cotton Cloths is a legitimate requirement of the Shantung people. Before the civil war in America the import of cotton here was nearly 50,000 peculs anunally, besides very large quantities of Chinese woven cotton cloth; all this is an argument for the stability of British Trade. The year 1868, saw 3,302 peculs of Chinese grown cotton imported into this Province, being 3,000 peculs over the four previous years.

NEEDLES AND WATCHES, both of which are supplied from Europe and taken in great quantities in the North of China, shew a large increase over former years.

H. E.
SIR RUTHERFORD ALCOCK, K. C. B.
H. B. M. Minister,
Peking.

METALS,—LEAD shows an increase over 1866 and 1867. The trade in English Bar-iron is double what it was in 1864 and 1865, and far greater than in either 1866 or 1867. Nail Rod-iron, too, shews a steady increase, and has this year reached 16,932 peculs or 10,000 more than any other year.

COAL imported from England, Australia and Japan, and consumed entirely by the foreign steamers trading between this, Shanghai and Tientsin, and vessels of war calling here, has also increased over former years.

This exhausts the Imports from Europe, and it is highly satisfactory to see such a steady demand for the products of the west increase so greatly at this port.

I shall now proceed to shew how the Import trade of Chefoo from Chinese and other ports has improved during the last year.

OPIUM—The first and most valuable article of commerce shews an increase over last year of more than 1,000 chests, but as the war-tax on the drug has been reduced considerably, it is but fair to surmise that it will reach a much higher figure this year.

The demand for Sugar and Paper seems to have increased, for they figure much higher than heretofore in the Import Return, and this is significant of the general healthy tone of Commerce here, inasmuch as these articles are the staples of the native Import trade. Sugar is imported direct from Formosa, Swatow and Amoy, where it is grown, and also from Hongkong and Shanghai. The Import of Rice has increased considerably during the last two years, but as this article is brought here solely for the use of the Southern traders, it only shews that large numbers of these are attracted to Chefoo, and is therefore indicative of the expansion of Commerce here. The Natives of this Province are not addicted to Rice, their staple of food being bread made from Maize and millet seed. Only 200 peculs of Rice were imported during 1865, and 350 the next year; but in the two succeeding years 1867, and 1868, 5,294 and 9,428 peculs were respectively imported, some part of which was re-exported to Tientsin.

The returns shew a large increase in the importation of steel, but I have ascertained that this quantity was brought from Hankow as a speculation, and is not yet sold. No doubt, the use of foreign Steel is on the increase, but the smiths and metal workers have not yet acquired the knowledge of using it properly.

Of other artices,—Tobacco, Wood oil, Betel nut, Isinglass, Preserves, Turmaric and Seaweed, from Japan and the Russian ports, shew an increase, while Sapanwood and Indigo do not compare favourably with last year.

The Import of treasure during the last year amounted to Tls. 325.874 only.

EXPORTS.

It is highly satisfactory to find that the exports have also increased over last year.

SILK is beginning to assume a very important feature in the export trade of this port. Nearly 300 piculs of yellow silk were shipped away in 1868, and nearly 900 piculs of silk piece goods, manufactured in this province, were exported. These together would bring up the quantity of silk appearing in the trade of 1868 to an equivalent of about 1,500 bales. The amount of silk piece goods exported in native junks is also considerable, thus adding more to the quantity of silk produced here.

It is expected this year that a much greater business will be done in silk at this port than heretofore, and also that a trade in cocoons and silk worm eggs will spring up. The Italian Government sent agents here last year, and I am told that their report was so satisfactory that it is intended to send agents here at the commencement of the season to buy cocoons, &c. The wild silkworm is bred in large quantities by the country people of Shantung, and a great deal of wild silk is produced annually, in this immediate neighbourhood, in the central part of the province and in the vicinity of Tsi-nan-foo.

The silk cloth made from this wild silk is brought to this port for sale. It is thought possible (and there seems no reason to doubt it) that the wild silk worm may be acclimatized in Europe. The attention of the French Government also appears to have been drawn to this branch of industry. Chefoo can furnish the eggs of both the wild and domestic silk worms.

The stuff made from the wild silk is used by the Chinese for summer clothing, and is very strong and wears extremely well.

The export of PEAS has fallen off in 1868. The total quantity figures at 318,201 peculs, whereas in 1867 it was 418,016 peculs. This has been caused by a cessation of demand for peas at Canton. Until last year the province of Quang-tung seems not to have recovered from the uncultivation of land. Now, report says, that the Province can supply its own wants.

With BEANCAKE the reverse seems taking place. The exports in 1868 being 630,206 peculs, whereas in 1867 they were only 390,504 peculs. The year in which the maximum export of beancake was attained is 1865, when 755,021 peculs found their way to Southern ports; and it is satisfactory to observe that, after the export of this article had fallen off, it is now steadily recovering. It is not expected, however, that it will ever exceed the year 1865. The oil cake made in the south is used for the same purpose as beancake, namely for manure, and that can always be supplied at a much less cost.

Of other exports, the articles that show the highest increase on last year are Felt-

caps, Dates, Fruits, Straw-hats, Lily-flowers, Liquorice, Medicines, Prawns, Vermicelli and Straw-braid, the latter is exported exclusively by Foreigners for shipment to the United States, viâ Shanghai, and the demand for it is daily increasing, while a decrease only appears, and that very slight, in Salt Fish, Ginseng, Bean oil and Tobacco.

The value of foreign Imports from Foreign countries in 1868 amounts to	*Tls.* 1,066,137
From Chinese Ports	3,981,814
On Chinese goods	2,497,396
Treasure	325,874
Total Taels	7,871,221
The value of exports for the year amounts to	1,525,817
Treasure to	4,195,728
Re-exports of Foreign goods to Foreign countries	11,121
Do. to Chinese Ports	386,042
Do. of Chinese Goods	145,927
Total Taels	6,264,635

The Tonnage employed in the Trade of this port although seemingly large—209,988 Tons, does not represent the quantity of sailing vessels formerly employed on the coast. The steamers running on the line from Shanghai to this make up at least ⅓ of the tonnage entered during the year. The duties on all vessels during 1868 amount to Taels 284,463. 2. 1. 6. of this sum Taels 106,074. 8. 7. 6. is contributed by British vessels, shewing a falling off in the year 1866 of Taels 41,181.6.4.4 but an increase over 1867 of Taels 11,412.6.1.2. The British contribution to the revenue is the largest; followed by the American 78,733. 3. 5. 7. the North German 60,089. 5. 5. 6. the Siamese 29,508.3.8.0.

The Tonnage dues amount to Tls. 13,003.6.0.0 for which the Chinese Government have made no return since they built the light House and Custom House jetty, after which a large surplus must have remained.

A Breakwater across the east entrance of this Harbour is greatly needed to render this a perfectly safe anchorage at all seasons and during any weather. The original cost of this would of course be large, but would be soon met by Harbour dues, which might then be levied on vessels anchoring inside its protection.

The question of mines has naturally attracted much attention during the past year, owing to the discoveries of gold in this immediate neighbourhood, and also by the knowledge attained through some of the men, who had come here to dig for gold, that large deposits of lead ore exist within 15 miles from this port. These lead mines had been previously known; and I hear that large samples of the ore were sent to the French Universal Exposition of 1867 by a firm here, who were commissoned by the French Government to collect the products of the north of China for that occasion. Some of the ore, lately obtained, I took to Shanghai recently and obtained a partial analysis of it. It seems to be what is termed "Jamcronete" lead ore, and contains about 38 per cent of antimony mixed with iron, zinc and lead, with some traces of silver. As this ore is near the surface and runs in a vein of 16 inches thick at the spot where the diggers discovered it, there seems to be no difficulty in the way of its extraction. No experienced metallagist has as yet pronounced as to its value for smelting, but its appearance and experiments made with it, give hopes that if the mine were allowed to be worked, a profitable business would be the result. It would be of very great advantage to this port if the Chinese Government permitted these lead mines to be opened, as the ore might form a valuable article of export, or it might be smelted on the spot and afford a further opening for the employment of foreign capital and enterprise, in this part of China.

The opening of the Coal Mines in this province promises no immediate advantage, as the transport of the mineral to this place would render its cost too great for any practical purpose. The utility of the coal for the future cannot, however, be too highly estimated in connection with Railways, as one of the most essential requirements for working the road would be plentiful and cheap fuel for the locomotive and, on the other, hand the Railway would bring the coal cheaply to this port, and thus supply it at a price that would render its consumption large and the export considerable. The coal of this province is known for its excellent quality; and if it could be brought here cheaply and used in smelting the lead ore from the neighbouring mines, a certain prosperity would attend such development of the natural resources of the province, and which the Chinese Government, the native population and the Foreign Mercantile Residents would all have their share in.

The gold-diggers were not very successful in their search after the precious metal, but I attribute their failure to the fact that they were prevented from diging in the region where the gold is said to be very plentiful, viz., the Pingtu range, to which I paid a visit last autumn, as I had the honor of reporting in my despatch, to Your Excellency, No. 32 of October 14th, 1868, as well as to the reason that the men who came here were far from experienced gold miners.

I will now briefly allude to a subject already brought prominently to your Excellency's notice by Mr. Alabaster, in his report on the trade of this port for 1867, and in Messrs. Fergusson and Co.'s letter, enclosed in my Despatch No. 25 of 1868 to Your Excellency I mean Railroads inShantung. Taking into consideration the difficulties of transit of goods from Chefoo to the interior, and notwithstanding this that the general business of the port is developing itself so satisfactorily, the

conclusion forces itself upon one's mind that further extension of trade might be relied on if such facilities existed for Inland Transit, as a Railroad from Chefoo to Tsi-nan-foo passing through such large centres of trade and population as Hwang-Hien, Wei-hsien &c., &c., as recommended in Messrs Fergusson and Co.'s letter.

Chefoo is, comparatively with other treaty ports, unfortunate in its want of easy communication with the markets that it could supply. There is no water communication either by river or canal leading from it towards the capital of the province. The traffic coastwise is conducted only through the inlets of small rivers, debouching on the gulf of Pei-chi-li; and the great water-road of the Yellow River is distant from this port about 200 miles. Even this channel of commerce is obstructed by the bar at its mouth, across which no large junks can pass. Chefoo has therefore a special claim to be allowed a railroad to its dependencies, as a necessary facility for the development of its trade; and if the support of H. M. Government could be obtained for this project, the capital for its construction could easily be fouud, provided the Chinese Government would guarantee on their side the security of the road.

A railroad to Tsi-nan-foo would naturally be prolonged to Tientsin, thus bringing that great commercial entrepot into uninterrupted communication with the southern ports, through its terminus at Chefoo. Another inducement for undertaking the construction of such a line would be the fact that excellent steam coal is known to exist along the proposed line of road.

The trade of this port in the future will derive much benefit from the establishment of a Kungkoo, an office for fixing the valuation of sycee, a want that has for the last few years been more and more felt. The chief reasons for the introduction of the same are set forth in a letter addressed to me by the British merchants of this port, copy of which I forwarded to Your Excellency in my despatch No. 2 of 10th Feb. of 1869, requesting me to urge on the Chinese authorities the importance and necessity of its institution. And the views there set forth, when realized, will show the advantage gained by foreign commerce at this place through this measure, which, I am happy to say, has been determined upon with the concurrence of the Taotai, at my representation, and will take effect as soon as the business season re-opens, after the Chinese New-Year.

I have little doubt that the trade of the present year will increase even in a greater ratio than the previous one; for Chefoo is, from its geographical position, the port of the north of China. All it needs is better communication with the interior, which a railroad would give it. The harbour is a good one, and open all the year round; and if the Chinese Government could be prevailed upon to throw out a breakwater, as I suggested above, there could not be a safer anchorage for vessels at all seasons and in all weather.

Your obedient servant,

J. MARKHAM,
Consul.

British Consulate,
Chefoo, March 12, 1869.

RETURN No. 1.

RETURN OF BRITISH SHIPPING AT THE PORT OF CHEFOO IN THE YEAR 1868.

DIRECT TRADE IN BRITISH VESSELS FROM AND TO GREAT BRITAIN AND BRITISH COLONIES.

ENTERED.						CLEARED.					
Total No. of Vessels.			Total Tonnage.			Total No. of Vessels.			Total Tonnage.		
With Cargoes.	In Ballast.	Total.	With Cargoes.	In Ballast.	Total.	With Cargoes.	In Ballast.	Total.	With Cargoes.	In Ballast.	Total.
21	...	21	5,169	...	5,169	6	5	11	1,904	1,703	3,607
INDIRECT OR CARRYING TRADE.											
145	53	198	59,395	19,408	78,803	165	41	206	61,874	18,204	80,078
166	53	219	64,564	19,408	83,972	171	46	217	63,778	19,907	83,685

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RETURN No. 3.

RETURN OF THE IMPORTS IN BRITISH VESSELS, 1868.

DESCRIPTION OF GOODS.	Classifier.	Amount.	Value.
			Taels.
Almonds	Piculs	17.00	212
Aniseed, Star	"	73.30	953
" Broken	"	145.10	725
Arsenic	"	28.50	214
Articles, fancy	Pieces	8	60
Barley, Pearl	Piculs	40.00	260
Bamboo, Canes	Pieces	3,400	71
" Shoots	Piculs	42.38	225
" Split	"	472.22	1,117
" Ware	"	41.29	351
Bed Covers	Pieces	53	165
Betel Nuts	Piculs	977.42	3,909
Biche de Mer	"	1.00	28
Brass Buttons	"	161.64	7,273
" Ware	"	36.83	678
Blacking	Bottles	30	13
Boots	Pairs	24	41
Brushes	Pieces	388	50
Bunting	"	16	112
Camphor	Piculs	21.00	315
Canvas	Bolts	34	272
Caps, Silk	Pieces	9,016	643
" Buttons	"	108,000	690
Cardamons, Inferior	Piculs	18.90	453
" Superior	"	.43	43
" Wild	"	14.95	68
Carpets	Pieces	390	507
Carrying Sticks	"	2,500	38
Chop Sticks	Piculs	67.00	134
Cassia Lignea	"	20.04	240
Cement	Piculs	10.00	
China Ware, fine	"	.48	10
Cloves	"	26.50	224
Coal	Tons	4,049	52,637
Coffee	Piculs	25.04	363
Coffin Planks	Pieces	101	72
Coir	Piculs	.90	3
Collars, Woollen	Pieces	900	66
" Silk	"	2,400	240
Copper Ware	Piculs	2.34	66
Crockery	"	5.20	41
Cotton	"	1,670.00	31,730
" Yarn	"	18.07	632
Cottonades	Pieces	180	648
COTTON PIECE GOODS—			
Brocades, White	Pieces	4,196	9,860
" Dyed	"	4,552	13,428
Chintzes	"	6,601	11,881
Damasks	"	420	1,764
Dimities	"	50	95
Drills	"	9,320	42,406
Figured Orleans	"	1,990	7,462
Handkerchiefs	"	218	109
Jeans	"	915	3,431
Muslins	"	500	425
Shirtings, Gentian	"	350	840
" Dyed	"	1,322	3,172
" Grey	"	285,447	656,528
" White	"	19,902	45,774
" " Spots	"	8,550	19,665
T-Cloths	"	90,234	189,491
Crapes	"	200	1,700
T. R. Cloths	"	11,378	27,307

No. 3.—Return of the Imports in British Vessels, 1868—*Cont.*

DESCRIPTION OF GOODS.	Classifier.	Amount.	Value.
			Taels.
Cotton Piece Goods, *continued*—			
Dyed Spots	Pieces	8,334	20,835
Cambrics	"	501	902
Velveteens	"	178	1,682
Velvets	"	752	6,053
Linen Mixture	"	200	1,300
Total number of Cotton Piece Goods		455,892	
Cotton, Clothing	Piculs	.10	7
" Thread	"	9.25	370
" Stockings	"	.10	5
Cutch	"	54.70	438
Dyes	"	.75	245
Dye, Green	"	5.00	100
" Blue	"	10.00	200
Earthenware	"	.06	1
Eggs, Preserved	Pieces	1,084	108
Fans, Gauze	"	93	14
" Feather	"	15	3
" Palm Leaf, untrimmed	"	2,978	12
" Paper	"	141,246	2,538
Firecrackers	Piculs	1.20	19
Fish Maws	"	1.12	36
" Glue	"	35.00	1,399
Flour, Foreign	"	150.00	450
" Potato	"	3.59	7
Flowers, dried	"	112.10	549
Flower Root	Pieces	4,500	35
" Seed	Piculs	75.96	798
Galangal	"	174.00	313
Ginger, Fresh	"	193.05	219
" Preserved	"	1.50	
Ginseng, Corean	"	1.60	1,120
" Japan	"	1.60	336
Glassware	"	10.19	244
Glass, Window	Square ft.	119,400	4,280
Grass Cloth, coarse	Piculs	95.83	2,395
" fine	"	9.15	585
Ground Nuts	"	15.50	23
Gum Myrrh	"	72.00	540
Gypsum	"	350.00	1,143
Hartall	"	7.20	94
Hemp	"	.50	3
" Bags	Pieces	91,640	5,498
Hornware	Piculs	.13	2
Indigo, dry	"	30.66	766
Inkstones	Pieces	827	74
Isinglass	Piculs	333.85	12,686
Iron Ware	"	8.88	177
" Wire	"	1.00	9
Jade Stone	"	.26	150
Kittysols	Pieces	100	8
Lacquered Ware	Piculs	1.47	59
Lamps	Pieces	18	60
Lead, Red	Piculs	12.62	86
" White	"	8.61	52
" Yellow	"	4.00	23
Langnaus, dry	"	77.86	1,245
" pulp	"	39.28	295
Mangrove Bark	"	154.00	131
Matches	Gross	12,225	11,369
Mats, Straw	Pieces	1,000	120
Medicine	Piculs	448.80	4,488
Mirrors	Pieces	2	20
Metals—			
Iron Bar	Piculs	3,294.76	9,060
Nail Rod	"	9,098.06	27,384
Lead	"	2,828.01	16,968
Quicksilver	"	16.45	855
Steel	"	412.00	2,678
Tin Plates	"	81.83	736
" Foil	"	.95	24

No. 3.—Return of the Imports in British Vessels, 1868—*Cont.*

DESCRIPTION OF GOODS.	Classifier.	Amount.	Value.
			Taels.
Mushrooms	Piculs	4.00	104
Musical Boxes	Pieces	7	11
Nankeens	Piculs	66.08	1,980
Needles	Pieces	59,000,000	13,110
Nutgalls	Piculs	451.78	3,252
Oil—			
Hempseed	Piculs	2.30	23
Linseed...	Gallons	150	150
Kerosine	„	390	195
Paint...	Piculs	6.88	221
Wood	„	357.20	2,856
Opium—			
Malwa	Piculs	1,422 50	768,150
Persian...	„	5.00	2,450
Benares...	„	37.20	18,228
Patna	„	16.60	8,134
Prepared	„	.22	191
Paint, assorted	„	53.65	420
„ Oranges	„	20.59	42
„ Black	„	10.10	50
„ Blue	„	5.00	60
„ Green	„	21.80	545
„ Unenumerated...	„	1.78	50
„ Ultramarine...	„	30.00	390
„ Yellow	„	8.40	30
„ White	„	36.88	288
Paper, I.	„	3,911.20	62,576
„ II.	„	19,856.38	192,632
„ Oiled...	„	8.00	144
Peppermint Leaf	„	10.10	61
Peel Orange...	„	391.66	1,096
Pepper, Black	„	587.60	3,398
Pipes, Opium	Pieces	205	31
Pictures	„	16	120
Pitch	Piculs	53.50	115
Plums, Black	„	316.77	948
Preserves	„	625.53	3,334
Putchuck	„	31.00	496
Rattans	„	3.20	10
Resin	„	73.20	146
Rice	„	900.00	1,350
„ Red	„	79.42	497
Rope, Europe	„	18.60	210
„ Manilla	„	50.00	50
Rouge	„	17.93	567
Samshoo	„	144.56	1,012
Seaweed	„	8,580.00	24,448
„ Russian	„	20,726.32	31,089
„ Japan	„	4,789.00	13,648
Sharks Fins, White	„	21.82	393
„ Black...	„	14.16	708
Sharks Skin Maws	Pieces	200	45
Shell Fish...	Piculs	6.78	146
Shoes	Pairs	238	143
Silk Piece Goods	Piculs	241 35	154,572
„ Ribbons	„	10.85	4,340
„ Thread	„	19.78	6,329
„ Mixture	„	26.78	7,766
„ Tassels	„	3.62	1,452
Smelts	„	17.75	710
Spectacles	Pieces	240	14
Slates	„	4,400	250
Sugar, Brown	Piculs	55,175.90	154,493
„ White	„	28,297.49	152,804
„ Candy	„	2,883.00	24,505
Sundries, I.	„	6.81	136
„ II.	Pieces	96	20
Table Covers	„	1,028	776
Tar	Piculs	41.00	120
Tea, Japan	„	376.55	1,694

No. 3.—Return of the Imports in British Vessels, 1868—*Cont.*

DESCRIPTION OF GOODS.	Classifier.	Amount.	Value.
			Taels.
Timber, Singapore Wood, Planks	...	6,483	162
Tobacco Leaf	Piculs	27.95	126
„ Prepared	„	957.84	19,157
Turmeric	„	447.43	2,237
Twine	„	34.50	405
Turpentine	Gallons	60	50
Varnish	Piculs	9.48	199
Vermillion	„	21.58	881
Wood Ware...	„	4.91	53
„ Sapan	„	500.00	1,350
White Wax...	„	4.91	1,374
Woollens, Twills	Pieces	169	710
„ Blankets.....	Pairs	42	367
„ Bombazettes	Pieces	293	1,611
„ Camlets	„	1,009	11,603
„ „ Imitation.....	„	365	2,136
„ Flannels	„	1	18
„ Lastings	„	766	9,192
„ „ Imitation.....	„	150	1,050
„ Long Ells	„	868	5,642
„ Lustres, Figured	„	18,118	72,730
„ „ Plain	„	800	
„ „ Crape	„	248	
„ Spanish Stripes	„	1,514	34,065
„ Imitation Crape Lastings	„	485	3,395
„ Fustians	„	600	4,200
„ and Cotton Mixtures...	„	1,280	8,320
Treasure	.....	.....	107,688
TOTAL .... *Taels*...	...	...	3,242,969

In all—Three millions two hundred and forty-two thousand nine hundred and sixty-nine Taels, equivalent at 5s. 11¾d., the average rate of exchange, to £969,512 12s. 1½d.

RETURN No. 4.

EXPORT IN BRITISH VESSELS, 1868.

DESCRIPTION OF GOODS.	Classifier.	Amount.	Value.
			Taels.
Almonds	Piculs	32.98	462
Apples	„	186.70	224
Biche de Mar	„	6.48	181
Bean Cake	„	234,907.00	164,435
„ Oil	„	310.00	1,116
Braid, Straw	„	633.00	11,394
Bones	„	63.00	43
Caps, Felt	Pieces	22,160	2,437
Carpets	„	23	30
Chestnuts	Piculs	28.50	57
Chilies, Dried	„	215.60	1,960
Cloth, Native	„	78.30	2,192
Coal	„	250.00	70
Copperas	„	83.90	
Cotton	„	56.75	908
Dates, Black	„	9,139.00	27,417
„ Red	„	1,742.10	4,703
Dye Stuff	„	.86	292
Felt Cuttings	„	42.50	77
Fish, Cuttle	„	51.19	258
„ Salt	„	714.00	2,142
Flour	„	12.50	25
Fruits Fresh	„	821.27	340
Fungus	„	52.10	833
Galangal	„	28.00	47
Ginseng, Corean	„	4.55	3,185
„ Native	„	5.38	1,225
Glass Ware	„	143.75	2,300
Glue	„	8.00	120
Green Colour	„	.84	336
Hats, Straw	Pieces	103,046	6,883
Hare Skins	„	1,549	42
Hops	Piculs	170.90	407
Lily Flowers	„	836.55	5,019
Liquorice	„	2,192.24	7,234
Medicine	„	3,061.31	18,579
Millet	„	11.20	23
Mule Skins	„	4.27	700
Onions	„	22.00	22
Ox Feet	„	37.50	73
Pears	„	678.40	814
Peas	„	69,472.00	69,472
Persecimeons Dry	„	932.00	2,064
Pork, Salt	„	7.50	34
Potatoes	„	136.00	163
Prawns	„	1,123.30	3,144
Samshoo	„	49.50	129
Seed, Melon	„	346.80	762
„ Pine	„	27.60	25
„ Salisburian	„	7.00	12
Silk Pongees	„	403.21	60,481
„ Yellow	„	105.42	32,680
„ Wild Raw	„	.80	136
Sinews, Baffalo	„	34.80	297
Tallow Animal	„	38.40	246
Tobacco, Prepared	„	118.28	2,365
Turnips, Salted	„	4.80	172
Vegetables, Fresh	„	129.00	38
„ Salt	„	39.00	156
Vermicelli	„	17,476.00	73,400
Walnuts	„	1,866.00	5,355
Wool	„	45.70	320
Treasure, Silver			1,927,531
„ Gold			5,620
TOTAL *Taels*	...	...	2,443,207

In all—Two millions four hundred and forty-three thousand two hundred and seven Taels, equivalent at 5s. 11¼d., the average rate of exchange during 1868, to £730,417 1s. 10½d.

SHANGHAI.

Sir,—I have the honor to submit my Report on the British and other Foreign trade of this port, with accompanying Returns for the year ending 31st December, 1868.

Some apology is due for my not having transmitted these earlier in the current year. The delay is to be attributed to the fact that the Customs' Returns, with the proofs of which, preparatory to publication, I have been courteously furnished by Mr. Leonard, the Commissioner of Returns, merely exhibit statistics of the trade in its foreign aspect generally; and considerable extra labour has consequently been needed in order to extract, and to tabulate in a distinctive shape, such of its details as concern British Trade in particular.

The Returns attached to this Report are as follows:—

Return No. I.—Return of the British Import Trade.
" " II.—Summary of Return No. I.
" " III.—Return of all Foreign Import Trade other than British.
" " IV.—Return of the British Export Trade.
" " V.—Summary of Return No. IV.
" " VI.—Return of all Foreign Export Trade other than British.
" " VII.—Return of Imports and Re-exports of Silk, Tea and Cotton.
" " VIII.—Return of Opium.
" " IX.—Annual Value of the whole Trade carried in Foreign vessels 1865 to 1868.
" " X.—Return showing the movements of British vessels.
" " XI.—Return of Tonnage under all Foreign flags.
" " XII.—Return of Duties paid under all Foreign flags.

The results observable from these Returns are of the most satisfactory character, not only as regards the whole Foreign trade of the port, but more especially as regards the always large proportion of that trade which can be properly termed British.

British Imports.

Commencing with British Imports, Your Excellency will perceive that, in the introduction of every staple commodity, with the single exception of opium, the increase has been most conspicuous; and that, notwithstanding a decrease of over Taels 3,700,000 in the import of that one article, the aggregate value of the imports for the past year shows an advance over that of 1867, of not less than Taels 3,100,000.

The following summaries will make this more clear:—

	Taels.
Manufactures	23,417,539—1868
Do.	18,330,512—1867
Increase .....Taels	5,087,027

	Taels.
Metals	1,463,632—1868
Do.	702,461—1867
Increase .....Taels	761,171

	Taels.
Miscellaneous	1,151,625—1868
Do.	450,749—1867
Increase .....Taels	700,876

	Taels.
Colonial Produce ...	1,732,838—1868
Do. ...	1,466,107—1867
Increase.....Taels ...	266,731

	Taels.
Opium	18,537,277—1868
Do.	22,304,991—1867
Decrease.....Taels	3,767,714

A consideration of the several articles of British Import in detail affords on the whole equally interesting results.

Cotton Piece Goods.

The value of cotton piece goods imported during 1868 amounted to Taels 17,429,000, as against Taels 9,900,000 in 1867. Most of this increase is monopolized by the single staple of Grey Shirtings of which a value of Taels 9,800,000 has been imported in 1868 against Taels 5,700,000 in 1867, or within Taels 100,000 of the entire value of the trade in cotton piece goods during the previous year. Prices of this article have averaged a reasonable rate. Taels 2.45 (at the beginning of the year) to Taels 2.10 (at its close), or equivalent at 6s. 3d. exchange to a first cost in England of from 11s. 3d. to 9s. 6d. having been the range for standard cloth or 8¼-lbs. grey shirtings. Should these low rates continue a steady increase in consumption may be anticipated. I need scarcely point out that the main portion of the grey shirtings imported by British in common with other foreign ships merely passes through Shanghai as an intermediary depôt. The Customs Returns shew that the value re-exported to other Chinese ports, principally Hankow the chief river port, and Tientsin, the great Northern Emporium for these goods, amounted during the year per all foreign bottoms to over Tls. 8,000,000.

Grey Shirtings.

Sir Rutherford Alcock,
&c., &c., &c.

White Shirtings. White Shirtings, which are shewn in Mr. Consul Winchester's report of last year to have fallen off some 32 per cent during 1867 owing to the dullness of the Tientsin market, appear to have regained their position, the import for 1868 being valued at Tls. 600,000 over that imported during 1867, and Tls. 200,000 over that during the year before.

T-Cloths. T-Cloths, an article which more nearly resembles the native-made fabric, continue to be in increased demand. The value imported for the past year from British ports is shewn to be Taels 3,311,000 against Taels 1,300,000 for the previous year, or just double the whole trade in this article for 1867. The trade in this commodity is still on the increase owing to efforts on the part of the manufacturers to assimilate the fabric more and more to the native article.

Drills, &c. Drills and other heavy cotton goods likewise shew a considerable increase, the value imported during the past year being about Taels 300,000 over that for 1867. Fancy Cottons have however fallen off. With a little more attention to the manufacture of drills, it is probable that the English sorts might ere long altogether displace the American, which do not compete so closely with the English and do not find such favor with the natives as they used to do.

Woollens. Woollen goods have on the whole been on the decline. The stocks for the previous year having been in excess of requirement, and the prices having been unremunerative; the demand on account of other ports has also not been encouraging. The decrease on these goods appears to have been progressive for the past three years. They seem to be of too expensive a nature to compete successfully with the padded cotton clothing to which the Chinese are so partial, and until they can be presented on the market at a more moderate rate the demand for such goods must continue to flag, and the trade remain stagnant.

Metals. The import of Metals shows features of a peculiarly encouraging nature. The increase in value being estimated at over fifty per cent. as compared with that entered during last year.

Iron. Of iron, a value of over Taels 500,000 was imported during 1868 against Taels 200,000 for the year before. It is brought principally in the shape of nail and rod iron, which the Chinese are clever at manipulating into various forms to suit their peculiar necessities. A fair proportion comes in also in an unmanufactured state, and is worked up in the many extensive foreign laboratories which now exist at this port.

Lead. Lead likewise has been imported in increased quantities; a value of Taels 418,000 having been entered during 1868 against Taels 135,000 during the previous year. This advance is to be attributed to the increased employment of lead in the manufacture of chests for tea exportation. The trade is rapidly attaining to very important dimensions, and is, I believe, highly remunerative to importers. Nearly the whole of the lead and iron imported comes direct from Great Britain.

Tin. Tin shews a similarly progressive tendency; the value imported having increased from Tls. 200,000 to Tls. 434,000. The increase has been principally in the sort which takes the shape of Blocks. Plate Tin has not been remunerative, although the increase in the importation has likewise been considerable. Block Tin is extensively employed by the Chinese in mixing with other soft metal for the manufacture of utensils of various kinds. The use of plate tin in the manufacture of such vessels has also considerably increased of late, but makers also use for this purpose the vast mass of cast off tin linings to cases and boxes, which although comparatively valueless to foreigners are eagerly secured by petty Chinese traders for this purpose.

Copper, &c. Copper, the next most important metal in the list, shews like the rest an increase. Also quicksilver, steel, and miscellaneous manufactured metals unclassed.

Miscellaneous Goods. Coal. The chief article amongst Miscellaneous British imports is Coal, and it likewise takes a respectable position in the list of increased imports; the importation from England alone having been tons 69,000, valued at Tls. 655,000 or nearly double that of 1867, and a tenth more than that of 1866. Stocks have however accumulated, shewing a larger importation than consumption. The importation from Australia approaches very near in quantity, and value to that from Great Britain. It is chiefly used by the natives for smelting and making up into cakes for stove fuel. The quality of Sydney Coal is said to be improving rapidly, and as it can be laid down at a cheaper cost, the trade will no doubt develope itself still more largely. Neither class of coal, however, can be expected to compete successfully as regards price with the Japanese or native production, should the mines of the latter ever be opened to foreign genius and enterprise.

Needles. Needles form another important item in the miscellaneous list, and one that shews likewise a remarkable developement in the importation, so much so that I consider it worthy of special mention. The import for 1868 is actually Taels 22,000 in value more than that for 1867. I can only account for this extraordinary fact by the appreciation which the Chinese are beginning to shew for the British article as compared with the clumsy and expensive instrument which they have been accustomed to. This may be easily ima-

gined, when it is remembered that the Chinese needle resembles a piece of wire, thick and rough in the shaft and dull in point, and the eye has to be drilled by hand, needle by needle.

The remaining miscellaneous items in which the advance is worthy of notice, as will be seen in Return No. II. are Matches, (the convenience of which as compared to paper spills seems to be daily better appreciated by the Chinese), Window glass, (the demand for which might be materially increased were more attention paid to the suitability of the article imported), Musical boxes and Instruments. Miscellaneous articles of import, in the aggrégate it will be observed, have increased from a value of Taels 450,000 to that of Taels 1,150,000 or not far from three hundred per cent.

INDIAN & COLONIAL PRODUCE.

Indian and Colonial produce come next in order for notice, and amongst these of course the chief commodity is Opium. As I have already remarked, the import of this valuable staple shews a serious degrease, the value for 1868 being estimated at but Taels 18,537,000 against Taels 22,304,000 for the previous years. Notwithstanding this falling off in the supplies, the rates have likewise been materially lower. The causes of this are manifold; but the chief obstacle to the ruling of more advantageous prices has been the greatly extended cultivation of the poppy in the provinces of Yunnan and Szechuen. A quantity of this China grown Opium is now constantly coming from Hankow to this port, where it can be sold with profit to the producers at Taels 250 *a* Taels 300 per picul, if not lower, as it only has to pay one half the duty charged on the Indian produce, and also enjoys, as yet, perfect immunity from Le-kin taxes which amount to Taels 45 per picul on the imported drug. It is, however, very inferior, and not in favour with natives of districts surrounding the Treaty port; but should the quality improve and demand consequently increase, Indian Opium must inevitably lose ground unless a heavy reduction be made on the present enormous rate of duty imposed in India. This may probably be effected after the lapse of time, but it will then probably be too late for the Indian Government to retrieve the consequences of its ill-judged, and heavy impost.

The highest price of Malwa was in February, Taels 530 per picul of 133⅓ lbs.

Lowest, August, Taels 480.

The highest price of Bengal was in March, Taels 540 per chest.

Lowest, October, Taels 455 per chest.

Removing opium from consideration, the importation in India and Colonial produce shews the remarkable increased value of Taels 266,000, which is principally divided amongst Coals (which I have already noticed), Wood, Putchuck, Mushroom, Birds' Nests, Beche-de-mer, and Kingfisher's feathers. It is worthy of notice that Hongkong performs, as regards Indian and British goods and Colonial produce, the same functions as an intermediary depôt for Shanghai which the latter place fulfils for the river and northern ports; and that the import from Hongkong has been vastly greater for the past year as compared to that of the previous year as will be seen by the following figures.

Import, 1868.....	Taels 3,605,988
„ 1867.....	„ 1,854,249
Increase	Tls. 1,751,739

It will be seen from another part of my report, that, leaving Indian Opium out of the question, Hongkong takes rank next to Great Britain as an importing country.

The following tabular statement exhibits the comparative imports of the several sorts of Opium for the two years:

Date.	Malwa. Chests.	Bengal. Chests.	Persian. Chests.	Turkey. Chests.	Total Chests. Chests.	Value in Sterling.
1867	30,019¼	10,430	157	...	40,615¼	£7,218,840
1868	26,645	9,033	139	10	35,827	£5,315,228
Decrease in 1868....	3,374¼	1,406	18	...	4,788¼	£1,903,612

FOREIGN IMPORTS.

In the commencement of this report I remarked that British Imports now, as always, form a large proportion of the whole trade of this port; but when the comparison is narrowed so as to include only imports from other foreign countries than Great Britain, the proportion of British imports so greatly preponderates as to sink all others into comparative insignificance. For, as the Returns prove, out of a value of Taels 50,207,443 which is exhibited as the total value of all foreign imports in Return No. IX, Taels 46,302,911 is properly British as shewn in Return No. 2. The larger moiety of the difference of nearly Taels 4,000,000 is appropriated by the imports from Japan which are

valued at no less a sum than over Taels 2,400,000. The remaining Taels 1,600,000 may be distributed amongst the following countries.

From the United States of America	Tls.	833,000
„ Continent of Europe	„	306,000
„ Siam, Philippines, Amoor provinces...	„	461,000
Taels		1,600,000

A comparison of the Returns of these Imports for the past two years shews an advance in favour of 1868 of about Taels 300,000. The value of all foreign imports other than British being thus comparatively inconsiderable, I need not stay to comment upon the several articles which they comprise. But a comparison of Return No. I. with Return No. III, will at once shew the proportions of each commodity entered from the countries other than British.

TREASURE. The Returns of import shew no statistics of treasure, in consequence of the inability to obtain from the Banks any particulars of its introduction. It has never been possible in past years to procure through the Customs anything more than approximate estimates of the amount of treasure imported, but during 1868 the Custom House for some reason has failed in noting any reports whatever on the subject. The shipments from Europe have not been heavy. California being now the chief source from which specie comes in, chiefly on account of the various banks having business in China.

EXPORTS. British Exports for the year just ended contrast even more favorably with those of 1867 and previous years, than the imports have been shewn to do. The total value of British exports for 1868 are estimated at Tls. 29,221,884 against Tls. 21,619,361 for 1867, shewing an advance of nearly Tls. 8,000,000. This increase as appears from the annexed summary is mainly participated in by Silk and Tea.

	Taels.	
Silk	15,488,591	—1868
Do.	9,820,186	—1867
Increase.....Taels	5,668,405	
	Taels.	
Tea	13,475,075	—1868
Do.	11,634,133	—1867
Increase.....Taels	1,840,942	
	Taels.	
Sundries	258,218	—1868
Do.	165,042	—1867
Increase.....Taels	93,176	

RAW SILK. Raw Silk and Tea as the staple commodities of export merit lengthened notice. At the close of 1867 the stock of silk in hand was estimated at 1,500 bales, with about 7,000 more to arrive from the country destined for this market. This was nearly exhausted by the end of May, the close of the season. At the commencement of June the first instalment of the new crop began to arrive and by the last day of that month the export to Great Britain had reached 5,800 Bales. Considerable eagerness was displayed by purchasers, and the prices paid were higher than had been anticipated, although they declined again after the first shipments had left. In July fears were entertained for the new crop, in consequence of the continued rainy weather, and this coupled with encouraging advices from home caused large purchases to be made at rapidly advancing prices, the exchange meanwhile advancing likewise. Arrivals from the interior kept pace with the demand, and by the end of August the export had reached the considerable figure of 27,000 bales to Great Britain alone. After August the demand diminished; the advices from home being somewhat discouraging, and during the latter months of the year not above 8,000 bales were shipped to England. I estimate the total number of bales shipped for England during 1868 at 35,658. Prices have fluctuated considerably. The market was opened at the beginning of the new season at Taels 530 to Taels 540 equalling at exchange 6s. 1¾d., 28s. 6d. to 29s. 0d. for good No. 3 Chops. As soon as buying became general the price of No. 3 Tsatlee reached Taels 555, equivalent at exchange 6s. 3d. to 30s. 2d. By the end of July it had risen to Taels 570 at exchange 6s. 2¾d. = 30s. 10d. In the middle of August it reached Taels 585 at exchange 6s. 3½d. = 32s. 0d., but soon afterwards fell. The quotation again reached the same figure in October, but with a lower rate of exchange giving a sterling price of 30s. 8d.. In November and December Taels. 600 was quoted, but only as a nominal rate, purchasers being averse to pay so high a rate in the face of unfavorable advices from home. As regards quality the samples brought down of the new crop were not found equal to those of the previous year, but subsequent arrivals proved themselves to be larger and of better quality. A new class of silk has found its way into the market in the shape of what are called re-reels, which at one part of the season found great favor in Europe, but has since somewhat declined. The universal opinion both with producers and buyers is that the next season's yield will be considerably larger than that of 1868, as the cultivation of the mulberry is steadily on the increase. I myself observed, on the occasion of a visit I made to the silk producing districts in the winter, that extensive tracts of fields which have been lying waste since the days of the rebellion, were being brought again under cultivation, and that nurseries of young mulberry trees were being prepared in every direction for planting out. The increase of po-

pulation, which will naturally follow upon a series of peaceful years, will of course materially assist further production. Although the export figures shew so favorably, it must be remembered that they cannot altogether be accepted as a test of prosperity in the trade itself. I am informed that silks shipped in the early parts of 1868 realized in London from 8 to 12 per cent profit, but purchases made during the latter moiety of the year, which comprised the great bulk of the crop for 1868, exhibit a loss of 7 to 10 per cent; and the complaints amongst merchants of over speculation in silk are very great.

The value of silk might be considerably enhanced if the Chinese could be induced to employ the European method of reeling, the advantages of which Mr. Major has with such commendable perseverance and patience, endeavoured to prove to them for years past by practical example, both here and in the silk districts, but unfortunately so far with but trifling success. This is proved by the fact that silk reeled by Mr. Major from Chinese cocoons has been found to be so superior as even to command a better price at home than the European product.

Tea. The total British export of Tea for 1868, as I have remarked, is considerably in advance of that recorded for 1867. Computing by quantity, the following are the estimated comparative exports for the two years:—

	Black. lbs.	Green. lbs.	Total. lbs.
1868...	62,033,646	9,731,326	71,764,972
1867...	45,969,103	11,697,929	57,667,023

from which it will be seen that an increase of 17,064,543 lbs. has taken place in the export of black, but a decrease of 1,966,603 lbs. in green. This does not include 14,884 lbs. of black and 821,644 lbs. of green exported to British North America. The average value at which this has been passed over to the merchant may be estimated at Tls. 27 per picul or (taking the tael at 6s.) 1s. 2½d. per lb. cost on the spot, or adding charges 1s. 6d. in England, which shews an average increase in price of Tls. 3 per picul or 2d. per lb. over the previous year. The quality of Black Tea has been generally considered equal to that of 1867, but that of Green Tea decidedly inferior, far less care having been taken in the manipulation of all kinds, but this fact does not appear to to have affected the prices paid.

There are thus undoubted evidences of a great increase in the yield of the tea leaf during the past year, and taking this in connection with the advanced cost to the buyers, it is easy to understand that this progress whilst immensely beneficial to the Chinese cultivators, and likewise in a lesser degree, to the home consumer, has been a cause of disaster to the intermediate merchant. The explanation of this is not far to seek. The almost total ignorance of merchants as to the actual state of affairs in the interior provinces of the empire, entirely precludes the formation of any estimate of the probable amount of the crop at the commencement of a season. A large early supply does not necessarily indicate a heavy crop to follow, and, as the first arrivals prove invariably to be the best teas, merchants who desire to ship the better qualities are compelled either to buy at once such teas as suit them, or else to run the risk of having to hold aloof altogether, and thus lose a whole season's business: neither is it surprising that men of sanguine temperament should give easy credence to reports of a short or only average-sized crop, which the Chinese know but too well how to circulate. Orders must be executed; ships must be filled, and it is too late to draw back when a reported deficiency resolves itself into a gigantic excess. The over-trading which results from this, the inevitable curse of modern business in China, acts disastrously on the character of the port, though it is beneficial in so far that it enriches the Chinese, and enables them to invest more freely in foreign manufactures than the hand-to-mouth trade of former times allowed them to do. A corresponding benefit ensues at the other end to the producers of these manufactures, who receive an increased supply of tea from China at a vastly reduced price.

Of the total sum spent by foreigners in the purchase of tea it may be estimated that 22 per cent, or nearly one quarter of the whole goes in taxes to the Chinese Officials. The Export Duty of 2½ Hai-kuan Taels per picul, the rate fixed by treaty tariff, amounts of itself to fully 10 per cent on the average value, and the transit dues together with the inland excise tax amounts to nearly 15 per cent more. These inland taxes vary with the wants of the respective Officials through whose hands the teas from the different districts pass. Various devices are resorted to by teamen to elude or to modify these burdens, and the course of trade is sometimes abruptly changed in order to escape some unusually hostile barrier. An instance of the adoption of circuitous routes under such circumstances is to be found in the immediate neighborhood of Shanghai. The Green teas of Ngan-hui, destined for sale in this market, are diverted from their direct route down the Chien-tang river to Hangchow, and thus by canal to this port, to the long round viâ Ningpo whence they are brought back by foreign coasting steamers to their natural terminus,—Shanghai. The expense of transporting the teas over a difficult, and crowded road from I-kiao, where they quit the Chien-tang river, to Ningpo, and the additional steamer freight hither are more than saved in escaping the heavier transit taxes imposed on the direct route, as the following comparison shews:—

Taxes viâ Hangchow.

Tang-cheng river tax,	250 cash	p. picul.
Hai-tang tax,	1 Tael	„
Nan-ka (South barrier),	2 mace	„

Taxes viâ I-kiao and Ningpo.

Tsao-ngo barrier, 6 cash p. package.
Ningpo, 134 „ (li) „
Do. additional, 12 „ „

These are exclusive of the country excise tax on the raw (unpacked) leaf, which amounts to fully 3 Taels per picul of packed tea.

The object in imposing this prohibitive tax at Hangchow appears to be to force the payment of the Export duty of 2½ taels in Ningpo, at the expense of the Shanghai Haikwan (Customs), for dues collected at Ningpo come equally under the jurisdiction of the Hangchow officials, who are thus content to waive the collection of a trifling transit tax in order to gain the handling of the heavier Export duty.

The Lead in which the teas are packed is also subject to many dues (in addition to the tariff duty paid on importation) before it reaches the packing country. Its high cost has of late years led the Chinese to make the linings of the chests with as little lead as possible, stout brown paper being used to hold the defective lead foil in its position. The result to teas which have a long sea voyage to undergo, may be well imagined.

Since the suppression of the Taiping rebellion the production of tea has resumed its progressive annual increase, and unless fresh disturbances occur, we may expect the supply henceforth to be practically unlimited, and it only remains for the British merchant to obtain his tea at a far lower cost than hitherto to make this a remunerative branch of trade.

Rhubarb, Sugar, &c.

The remaining staple articles of British Export which exhibit a marked increase during the past year, consist of Rhubarb, Nutgalls, Musk, and Sugar. In rhubarb the increased value as will be seen by Return No. V. may be estimated at Taels 34,000, or 50% more than was exported in 1867.

In Nutgalls the export for 1868 was valued at Taels 62,000 against Taels 50,000 in 1867. Musk has advanced from Taels 13,000 in 1864 to Taels 32,000 in 1868. Sugar, an article which appears as a nil export in 1867, shews for 1868 a value of fully Taels 35,000. All these commodities are singular in having been exported to Great Britain alone.

Foreign Exports.

In Exports, foreign nations other than British occupy a somewhat better position, relatively to Great Britain and her dependencies than they have been shewn to do in their imports, and the increase in the value thereof has likewise been remarkable. The chief exporting countries appear to be the United States, the Continent of Europe and Japan; Siam, the Phillipines, and the Amoor province likewise participated but to a very inconsiderable extent. The several values of exports to these countries have been as follows:—

United States	Taels	4,673,872
Continent	„	4,408,073
Japan.....	„	808,328
Sundry—		
Siam,.....Tls. 25,618		
Phillipines, „ 11,658	„	41,172
Amoor..... „ 3,896		

Making a total of .....Taels 9,931,445
as against .....Taels 7,608,713
for the year 1867. The increase of Taels 2,300,000 thus apparent is mainly in favor of the Continent, the trade to which in silk has shewn a sudden tendency to development. America has advanced her Exports by some Taels 300,000; but Japan and other countries have as sensibly decreased them.

The principal commodities of export to these countries consist, as with Great Britain and her Colonies, of Tea and Silk.

United States. Tea Export.

The Tea is taken off almost entirely by the United States, and her consumption of the Green leaf continues largely to predominate. The comparative exports of Tea to America for the past two years are exhibited in the following summary.

	Green.	*Black.*	*Total.*
1867.—lbs.	15,946,349—	32,227—	15,978,576
1868.—lbs.	15,797,706—	63,352—	15,861,851

This estimate includes the exports to British North America, which, as I have before remarked in the case of 1868, amounted to lbs. 836,528. The remainder of the exports to the United States are divided between raw silk and straw braid. A value of Taels 350,000 of the former and Taels 36,000 of the latter nearly making up the total for that country.

Continental Silk Export.

The silk has gone principally to the Continent of Europe. France being the chief receiver, and to the increased export of this article is to be attributed the vast addition to the value of the Continental exports for the year. The quantity of silk exported to France during 1868 is estimated at Bales 10,822 against 6,227 during the previous year, or, say an increase in value of more than Taels 2,500,000. The Continent takes off no other commodity worthy of notice.

Japan Export.

Japan comes next in rank to the above as a consumer of Chinese exports. These principally consist of raw cotton, of which she has taken a value of Taels 567,333 or more than half her whole share of export; and of Sugar and Sugar Candy the value of which may be estimated at Taels 148,627. The remaining noticeable exports are Safflower, Medecine, Spelter, Leather, Paper, Vermillion, and Silk piece goods of a coarse texture. On the whole, however, the value of exports to Japan have declined, the total value for 1868 being Taels 808,328, against Taels 973,292 for 1867.

General Trade.

The above remarks will suffice to give a fair general idea of the state and progress of the whole foreign trade of this port during

the past year, and of the several countries amongst which it has been distributed.

I add a summary which presents in brief the general results that have been arrived at, and affords an opportunity of comparing the figures for the past year with those of 1867 :—

British Trade.

	Taels.	Taels.
1868—Import	46,302,911	75,524,795
„ Export	29,221,884	
1867—Import	43,254,820	64,874,181
„ Export	21,619,361	
Increase.....Taels		10,650,614

Other Foreign Trade.

	Taels.	Taels.
1868—Import	3,904,532	13,835,977
„ Export	9,931,445	
1867—Import	3,315,714	10,924,427
„ Export	7,608,713	
Increase.....Taels		2,911,550

The advance which the whole trade has made during the past year, as exhibited by this table, is quite unprecedented ; and it proves the capabilities of expansion which the port, from its peculiar position and advantages, so abundantly possesses. Another remarkable and, to the British mind, satisfactory conclusion may be deduced, and that is, the very large proportion of this enormous, and which should be prosperous, trade that falls to the share of Great Britain and her dependencies. I have pointedly drawn attention to this fact when treating of the subject of imports ; but it will be observed that the preponderance runs through the thread of the entire trade until, in the grand total, it exhibits us as participators in its benefits to the extent of fully six-sevenths of the whole. This feature of the trade has not, I conceive, had that prominence accorded to it in previous reports which it deserves.

It is worthy of notice that the foreign imports and exports estimated as above, at a value of Taels 89,360,772, do not by any means represent the whole actual trade of the place. As I pointed out under the head of Grey Shirtings, this port performs to a large extent the functions of an intermediary depôt for Japan, the Yang-tsze, Ningpo, and the Northern ports. Return No. IX gives some valuable details in support of this. Out of a value of Taels 50,200,000 of foreign imported goods, it will be there seen that Taels 37,700,000 are re-exported in the proportions of 2,080,000 to Japan, &c., and 35,600,000 to the Coast ports, leaving over Taels 12,450,000 as the local consumption of this port in such goods. Of the foreign exports, valued at a total of Taels 39,150,000, fully Taels 19,250,000 (of which 12,700,000 is contributed by Hankow and Kiukiang and 480,000 by Ningpo and Foochow in Tea alone) are derived from other ports, river and coastwise, leaving Taels 19,890,000 as the export proper of the port to foreign countries. Apart, moreover, from trade to and from foreign countries, Shanghai is shewn to possess a considerable trade of its own, with coast and other ports, in Chinese goods. It will be seen from the same return that the imports from Hankow, Kiukiang, and Ningpo, of Chinese goods not re-exported to foreign countries, is valued at Taels 15,071,229 of which a value of Taels 8,413,354 is re-exported to Chinese ports, and Taels 6,657,875 is consumed on the spot. Again, of the Chinese produce of local origin, not sent to any but Chinese ports, as large a value as Taels 7,813,449 is shewn to be exported, details of which are to be found in the first column of Return No. VI. It follows that the local trade of this port, carried on with other Chinese ports in foreign bottoms, may be estimated at Taels 22,884,669. This added to the estimated value of the whole foreign trade makes a grand total of Taels 112,245,441 which represents the entire trade of Shanghai. This is of course exclusive of all purely native trade in Chinese craft, of which no reliable *data* are procurable ; but judging from the forest of masts which line the upper portion of the river off the native town, it must be very considerable. In this connection I may venture to suggest the expediency with respect to future Returns, of moving the Supreme Authorities at Peking to direct the local executive in every port to afford the Consul the same facilities for reference to the books and records of the native Customs' Offices, which are now so obligingly accorded by the Officers of the Maritime Customs' Service. Much valuable information hitherto unattainable might thereby be secured.

British Tonnage.

British Tonnage has on the whole rather diminished than otherwise, although the number of vessels entered and cleared has sensibly increased. Return No. X. shews at a glance the comparative movements of British vessels for the past two years. From this it will be observed that 908 vessels of 457,000 tons entered, and 919 vessels of 454,000 cleared in 1868, against 874 entered and 869 cleared, representing severally aggregate burthens of 475,000 and 481,000 tons. The increase in the number of vessels is noticeable principally in those entered from Great Britain and Australia, 26 more vessels having come in 1868 from the former and 32 more from the latter country, than during the previous year. This is to be traced to the increased importation of Manufactures from Great Britain and of Coal from Australia. In judging of the decrease of tonnage as compared to that of last year, regard must be had to the transfer during the year from the British to the American flag of the two river steamers referred to in Mr. Consul Winchester's last report, also that of the "Chihli" late "La-

mont" on the Tientsin line, whose united tonnage amounting in the whole year to about 70,000 tons inwards and the same outwards, helps materially to swell the aggregate tonnage of the Shanghai Steam Navigation Company under the United States Flag. This fact and the result give peculiar significance to the very important remarks with which my predecessor's report of last year closes, on the subject of extending to this port facilities for the registration of Limited Joint Stock companies. My own experience, moreover, since Mr. Winchester's departure, has in other instances than this one satisfied me that the British shipping interest suffers in consequence of the too stringent restrictions laid down in the Merchant Shipping Act, with refercnce to the transfers of vessels abroad. So long ago as March 1866, I believe the subject of a revision of the Act was strongly urged by Sir Edmund Hornby; and the establishment of this port as a port of registry was advocated by him with the full approval and support of Your Excellency. If this suggestion could yet be carried into effect, undoubted advantage would accrue to the British shipping interest of this port. Transfers and purchases of vessels form a rapidly growing feature of the trade. Last year the registration of no less than sixty transfers by and to British subjects was recorded in this Consulate, against an average of thirty five for the three previous years, as has already been shewn in the memorandum enclosed in my despatch No. 8, of 22nd January last, In cases where the purchases are made from a foreign flag the provisional Certificate of registry, which alone Consuls are empowered to issue and which only holds good for six months, is too often of necessity abused by the recipient in trading to and fro between China and Japan until the term expires, when the vessel is brought back here, and has eventually to be sent to Hongkong, the nearest port of registry, thereby occasioning delay and detention to the parties interested. Applications for permanent registration are, moreover, continually being made, which have of course to be refused, leaving the applicant no alternative but to seek another flag to cover his British property. I need scarcely add that no difficulty is found in effecting this.

In connection with the subject of British tonnage and registration, it may be interesting to note that 3,700 seamen have been shipped and discharged during the year, the average for the past three years being 2,000 Europeans and Americans and 1,500 Asiatics. During the same period 125 men have been left behind at this port from British vessels through sickness, &c. and relieved at the Home and Hospital on public account, entailing on Her Majesty's Government a total expenditure of $8,400. Two-thirds of these were not British subjects.

FOREIGN TONNAGE. Foreign shipping exhibits an increase both in number and tonnage, 943 vessels representing a tonnage of 463,881 tons having entered, and 951 of 444,984 tons having cleared during 1868, against 562 of 303,694 tons entered, and 554 of 302,807 cleared for 1867. This advance is chiefly confined to the American and North-German flags. The main portion of the American tonnage, amounting to fully two-thirds of its aggregate, is represented by the river steamers of the Shanghai Steam Navigation Company, which ply on the Yangstze, and this has been increased, as I have shewn, by the accession of some 70,000 tons previously belonging to the British flag. The fine vessels of the new Pacific line also contribute an important quota to their total tonnage. The North-German shipping is entirely composed of sea-going vessels, which ply principally between Shanghai and the Coast Ports.

DUTIES. Return No. XII exhibits all the duties paid on foreign trade and tonnage during the year. On comparing it with the same return for 1867, it will be seen that the net increase amounts to about Tls. 200,000, and this notwithstanding the falling off in the importation of opium, the duties on which shew a decrease of Tls. 200,000. It is worthy of note that of the total amount, less Transit dues, of Tls. 2,501,436, no less than Tls. 2,084,148 is contributed by the British flag. The following summary exhibits the comparative increase and decrease of the amounts, severally paid under British and other flags, during the past two years.

British Duties.

	Taels.
Import, Export and Tonnage,	1,466,383—1868.
" " "	1,130,000—1867.
Increase .....Taels	336,383

Foreign Duties.

	Taels.
Import, Export and Tonnage,	417,192—1868.
" " "	355,171—1867.
Increase.....Taels	62,021

Opium Duties.

Taels.....	617,765—1868.
"	819,178—1867.
Decrease.....Taels	201,413

GENERAL REMARKS. As far as mere statistics are concerned, the foregoing details afford abundant evidence that the trade of Shanghai is advancing with a rapid and to all appearance healthy growth. The general aspect of commercial affairs moreover indicates prosperity and progress. At the same time complaints seem to be rife that the result in steady actual profit to the foreign trader by no means bears out these promising indications. The import trade certainly has been to a great extent a profitable one, owing to the growing demands of the Chinese, and it is the general opinion that these demands might continue to increase, were the transit system

satisfactorily re-adjusted, and local exactions modified or done away with. But as regards exports loss appears to have been the rule. This is to be attributed to the fact that the ever increasing production leads to such abundant supplies going forward to consuming countries, as to cause decline in prices beyond the first cost. The exceptional prices paid in the home markets for the early cargoes of each season's tea and silk, has had its natural effect in inducing a spirit of reckless speculation out here when the first arrivals of produce are placed on the market, and thus bringing about an enhancement of value, while it causes at the same time enormous supplies to be hurried forward. The consuming markets become in a few months so overstocked that they never recover for the remainder of the year. The consequence is only what may be anticipated,—positive loss for the mass of speculators, and a loss, it is to be feared, which must continue to fall upon them, unless, as I have elsewhere shewn, a greater prudence is exercised in buying from the native, and unless some effort is made to spread as far as possible over the whole year, the supplies which are now sent forward in frantic competition at once.

A remarkable feature in the general aspect of the trade, is the growing share which Chinese speculators are taking in it. I am told by a respectable Cantonese that his own guild alone registers now fully 4,000 persons, a very large number, when it is considered that natives of Canton were as much strangers in this port at its opening in 1862, as any foreigner could be. The natives of Ningpo, Chusan, Amoy, and Chaou-chow-foo likewise partake considerably in the trade. The Chinese possess a material advantage in the economy with which they can keep up their establishments, as compared with those of foreign firms; and they accordingly enter very largely into rivalry with foreigners, both in the home trade and that to and from the coast ports. It appears to be also now very usual for inland traders, owners of produce, when lower prices are being offered by foreigners, to ship the same on their own account under advance, thereby relieving the market from pressure and assisting to maintain rates.

The settlement of Shanghai in itself shews everywhere undoubted signs of an activity and prosperity which must be gratifying to everyone interested in its welfare. The streets in the vicinity of the river rarely cease, during business hours, to rattle with the rumble of foreign vehicles, and to be alive with heavily laden coolies; and the more central roads in which the native shops and houses are chiefly situated, are incessantly crowded with busy Chinese on foot, in sedan chairs and on wheel-barrows, in a throng, which might vie with that of many a crowded mart in one of our own western cities. So valuable is every available space for passage way, that the universal complaint is that the roads although varying in width from 25 to 50 feet, are much too confined for our needs,—an amusing contrast to the loud protests with which I recollect Consul Balfour was beset years ago, when in the disposition of lots amongst the first settlers, he refused to be presuaded into the opinion that it was only necessary to set aside, as road-way, just sufficient space to admit of the carriage of one bale of goods.

Institutions for securing the good government and welfare of the inhabitants, and arrangements for facilitating the means of access to the port, keep pace with general progress. The Municipal Government is conducted with an efficiency and attention to the interests of the settlers worthy of all praise. The conservation of the public peace and health,—those two great desiderata of city life—are looked to with marked success, notwithstanding the difficulties presented in the way of drainage by the level nature of the soil, and the large and mixed population, estimated at 68,500 Chinese and 7,500 Foreigners. Sir E. Hornby, H. M. Chief Judge, in a judgment recently pronounced by him, paid a well merited tribute to the efficacy of our Municipal institutions, when he declared it as his conviction that "there "is no better governed community in the "world, or one which has so thoroughly "understood the object which self-gov-"ernment has in view, or one in which "greater personal sacrifices have been "voluntarily made for the general good;" and that "to its credit be it said, in the "foreign settlements of Shanghai there "is a greater respect for order and far "less crime or vice than exists in other "places; and in spite of the climate there "are very few towns where so much soli-"citude is shewn for the health of the "inhabitants." A well revised code of regulations under which this Municipal system can be efficiently worked, is nevertheless still sadly needed. Even could the unanimous assent of all the Treaty Governments be secured for the so-called Revised Land Regulations, framed four years ago,—a consummation which there seems at present little chance of our realizing,—these regulations would be, to a certain extent, valueless, inasmuch as they contain provisions which later experience proves to be inexpedient or faulty. And as one of the very foundations on which they are based, namely, the inclusion in their application of the French Concession, has been long since rendered null and void, by the practical rejection of the regulations by the French in favor of a Municipal system of their own. I am happy to say steps are being taken so to modify the revised code, as to render it at once more applicable to existing necessities and more likely to be readily and unconditionally accepted by the Governments concerned.

Free access to the port has, as I have remarked, received more attention than in past years, thanks to the energy of the Harbor Master and his staff. The Pilotage rules, promulgated in November

last, are found to work well; and they receive the active support of foreign Consuls and Insurance Offices. Arrangements for lighting and buoying the Yangtze and entrance to the river have advanced considerably during the past year. A new light of the 4th order, Holophotal flash and visible 16 miles, has been erected at the Kintoan light-house, and 5 miles above it a new beacon has been constructed, carrying a lens lamp of the 6th order shewing two colours. At Tungsha, near the mouth of the Yangtze, a new red revolving light, visible 12 miles and provided with a fog-bell, clock work &c., has been furnished to the light-ship there, and the vessel has been attached to new moorings. A new lens lamp has been supplied to the light-ship on the Langshan crossing, which is shortly to be marked by a new vessel altogether, now in the course of being fitted up. A contract has been signed for the construction of a house and tower on Gutzlaff island, to carry a light of the 2nd order, dioptric, visible from 15 to 20 miles, and the works have already been commenced. Unhappily, owing to the great risk attending access to the rock, several boats of materials and lives have already been lost, and serious difficulties are anticipated in the further prosecution of the works. A light-house Engineer has arrived from England for the special purpose of carrying out further projects for general lighting; and several works are now in immediate contemplation. Amongst the more important of these, I may mention a light-house with dioptric light at Woosung, a light vessel on the wrecks at the mouth of the Hwangpu river, to be a leading mark in line there with, and until the wrecks can be removed, lights on the marks at the inner bar, a new light-ship constructed on the Trinity House plans to be substituted for the present Tungsha light-ship, which is then to be placed on the Block-house shoal, and lights on the Saddle or Barren islands as well as the Amherst rocks. All these improvements will prove of immense service in rendering the navigation inwards from the islands more secure, and reducing our yearly list of casualties, which, during the 12 months ending with April 1869, amounted to no less than 16 in number, some of them of a severe nature and one attended with loss of life. With a view to securing as early information as possible of casualties, when they do occur, and to accelerate the reporting of vessels expected to arrive and of the regular mail steamers, it is in contemplation to construct an electric telegraph, the materials of which are already on the spot, between Shanghai and the Kintoan beacon. There are of course numerous difficulties in the way of carrying out this project so speedily and effectually as could be desired,—difficulties which need never have arisen but for the precipitate manner in which the first experiment of the kind was unfortunately attempted, but it is hoped that with care and delicate management success may eventually be attained.

In connection with Marine improvements it may be interesting to note that a river police force has been obtained from England, which is now being organized into useful working order by the efficient Superintendent of Police; and a hulk will shortly be placed in some central spot to serve as a station for this serviceable body of men. The Marine department has likewise purchased a plot of ground on the Pootung bank, which is intended to serve as a Marine Yard, Light-house Store, &c.

A report upon Shanghai and its general characteristics can scarcely be considered complete without some allusion to the Mixed Court. This institution, I regret to say, has not as yet answered the sanguine expectations which were at first entertained of its probable utility as a Court of Judicature for the determination of suits instituted by foreigners against Chinese, and by Chinese against each other, when residing within the limits of the settlement. The defect is to be traced to the want of sufficient rank in the presiding Mandarin, and to his not being possessed of authority independent of the local district executive. Rules of procedure and some system of written law to appeal to, moreover, are imperatively demanded for the better guidance of the proceedings and decisions of the Court, the existing Chinese code being found more or less inapplicable and defective.

My relations with the Chinese Authorities may be dismissed with but a brief notice. They are of the most cordial character. I continue to experience difficulties in the way of obtaining redress for British subjects in important cases of fraud or embezzlement, but these arise rather from inherent defects in the Governmental system, than from any positively inimical feeling on the part of the local executive. As is the case with most other ports, complaints are likewise frequent as to the existence of underhand petty taxations on foreign goods, both inside and outside of the settlement, which materially curtail their free circulation.

This report has already reached a greater length than I had at all anticipated, and it is time that I should bring it to a conclusion. In doing so, it is only just that I should acknowledge the very courteous manner in which every information that I needed has been placed, by the Customs and Harbor Master's departments, at my disposal, and the great obligations under which I lie to some of my mercantile friends, but for whose able memoranda and useful notes, I could not have sketched out many portions of this report. In some instances, I have not hesitated to quote freely from such memoranda, and I should have been glad to have inserted them intact, but that they were so framed as to interfere with my general plan of distinguishing British trade from that under other foreign flags. I have like-

wise been much indebted to the assiduity of Mr. W. H. Tapp, the Shipping Clerk, to whom I wholly entrusted the collection and collation of the statistics necessary to the construction of the Returns. How he has performed this duty may be best judged from the accurate, and well-got up tables which accompany this report.

As instructed in Circular No. 1, dated 4th March last, I append the three summaries of the British and Foreign direct and indirect trade and shipping, called for in that despatch. I regret that some of the columns exhibit blanks. This has been found unavoidable. Some of the details which I have not given, such as number of crews of British ships, may be furnished in next year's report, for the time during which they will have been recorded for the current year, since the receipt of these instructions. But the other items of information required, such as values of cargoes, distinguishing British from Foreign vessels, numbers of crews of Foreign vessels and treasure imported and exported, I fear I can never assure myself of being able to procure either through the Custom House or otherwise.

Your obedient servant,

W. H. MEDHURST,
H. B. M. Consul.

BRITISH CONSULATE,
Shanghai, 20th April, 1869.

RETURN No. 1.

RETURN of the BRITISH IMPORT TRADE at the PORT OF SHANGHAI, for the Year ended December 31st 1868.

DESCRIPTION OF GOODS.	CLASSIFIER OR QUANTITY.	GREAT BRITAIN.		HONGKONG.		SINGAPORE AND STRAITS.		TOTAL.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			Taels.		*Taels.*		*Taels.*		*Taels.*
COTTON PIECE GOODS—									
Shirtings—Grey plain	Pieces	4,018,601	9,230,597	255,080	605,389	...	...	4,273,681	9,835,986
„ White „	„	410,104	1,218,169	38,829	106,344	...	...	448,933	1,324,513
„ Dyed „	„	15,791	45,752	2,817	7,201	...	...	18,608	52,953
„ Spotted and Brocaded, white	„	65,003	155,085	1,106	4,500	...	...	66,109	159,585
„ „ „ dyed	„	95,864	267,678	526	1,695	...	...	96,390	269,373
T-Cloths	„	1,448,762	2,872,514	207,434	438,907	...	...	1,656,196	3,311,421
Drills—grey	„	65,095	252,240	14,423	57,532	...	...	79,518	309,772
„ „ American and Dutch	„	42,478	165,958	84,135	283,815	...	...	126,613	449,773
Jeans	„	19,009	73,719	16,431	64,918	...	...	35,440	138,637
Sheetings	„	13,554	56,086	6,161	25,290	...	...	19,715	81,376
Chintzes and Furnitures	„	213,477	873,706	3,560	5,648	...	...	217,037	379,354
Turkey Red Cloth and Cambrics	„	42,986	102,260	11,677	27,074	...	...	54,663	129,334
Damasks—dyed	„	29,970	140,361	762	3,678	...	...	30,732	144,039
Velvets	„	39,419	233,973	1,236	8,138	...	...	40,655	242,111
Velveteens	„	18,107	125,258	1,061	7,592	...	...	19,168	132,850
Fustians	„	3,000	18,300	...	...	...	...	3,000	18,300
Jaconetts / Cambrics	„	8,347	8,756	320	480	...	...	8,667	9,236
Lawns	„	15,627	19,006	...	...	...	...	15,627	19,006
Muslins	„	19,137	19,637	3,034	3,790	...	...	22,171	23,427
Dimities	„	31,172	60,242	3,228	7,290	...	...	34,400	67,532
Domestics—grey	„	2,656	14,777	...	...	...	...	2,656	14,777
Twills	„	842	2,973	7,050	18,975	...	...	7,892	21,948
Taffachelas and Ginghams	„	7,000	14,560	1,200	2,520	...	...	8,200	17,088
Cottonades—unc' ssed	„	21,451	55,392	346	1,354	...	...	21,797	56,746
Handkerchiefs	Dozen	134,993	87,381	13,274	7,517	...	...	148,267	94,898
Cotton Yarn	Piculs	3,793.50	120,332	4.76	210	...	...	3,798.26	120,542
„ Thread	„	46.55	3,160	13.61	1,339	...	...	60.16	4,499
Carried forward ..... *Taels*	...	...	15,737,272	...	1,691,196	...	...	...	17,429,068

No. 1.—RETURN of the BRITISH IMPORT TRADE at the PORT OF SHANGHAI, for the Year ended December 31st 1868.—*Continued.*

DESCRIPTION OF GOODS.	CLASSIFIER OR QUANTITY.	GREAT BRITAIN.		HONGKONG.		SINGAPORE AND STRAITS.		TOTAL.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			Taels.		*Taels.*		*Taels.*		*Taels.*
Brought forward	...	...	15,737,872	...	1,691,196	...	...	...	17,429,068
WOOLLEN GOODS—									
Alpaca	Pieces	316	2,188	83	644	...	...	399	2,832
Blankets	Pairs	15,722	36,232	1,609	4,216	...	...	17,331	40,448
Bomtazettes	Pieces	1,600	7,928	...	...	...	...	1,600	7,928
Buntings	"	58	245	12	55	...	...	70	300
Camlets—English	"	100,419	1,320,809	2,787	36,134	...	...	103,206	1,356,943
" Dutch	"	900	20,200	990	21,700	...	...	1,890	41,900
" Imitation	"	3,244	27,746	284	2,640	...	...	3,528	30,386
Cloth—Broad " Habit " Medium	"	9,437	188,365	5,629	160,021	...	...	15,066	348,386
" Russian	"	1,940	56,886	500	13,500	...	...	2,440	70,386
Spanish Stripes	"	55,268	703,417	4,228	54,074	...	...	59,496	757,491
Woollens—unclassed	"	4,917	41,656	726	6,066	...	...	5,643	47,722
Flannels	"	1,105	11,735	475	2,643	...	...	1,580	14,378
Lastings	"	28,993	336,676	1,479	14,907	...	...	30,472	351,583
" Crape	"	7,596	62,309	...	...	...	...	7,596	62,309
" Imitation	"	3.109	22,753	...	...	...	...	3,109	22,753
Long Ells	"	157,508	1,039,316	9,982	68,884	...	...	167,490	1,108,200
Lustres and Orleans—plain and figured	"	316,414	1,589,828	740	3,272	...	...	317,154	1,593,100
Wollen and Cotton—mixtures and unclassed	"	14,783	52,747	2,216	6,251	...	...	16,999	58.998
Linen	"	469	3,116	410	3,044	...	...	879	6,160
" and Cotton mixtures	"	4,313	26,082	100	400	...	...	4,413	26,482
Canvas	Bolts	5,508	36,421	382	2,258	...	...	5,890	38,679
Silk Piece Goods	Pieces	41	107	...	...	...	...	41	107
" and Woollen Mixtures	"	323	600	96	400	...	...	328	1,000
Carried forward ... *Taels*	...	...	21,325,234	...	2,092,305	...	...	...	23,417,539

No. 1.—RETURN of the BRITISH IMPORT TRADE at the PORT OF SHANGHAI, for the Year ended December 31st 1868.—*Continued.*

DESCRIPTION OF GOODS.	CLASSIFIER OR QUANTITY.	GREAT BRITAIN.		HONGKONG.		SINGAPORE AND STRAITS.		TOTAL.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			Taels.		*Taels.*		*Taels.*		*Taels.*
Brought forward	...	...	21,325,234	...	2,092,305	...	...	...	23,417,539
METALS—									
Copper and Rod	Piculs	83.30	1,369	162.06	1,663	...	...	245.36	3,032
„ Nails and Sheets	„	2,649.12	53,399	29.73	590	...	...	2,678.85	53,989
„ old manufactured and ware unclassed	„	49.62	1,143	47.28	870	...	...	96.90	2,013
Iron—Nails, Rod and Bar	„	161,319.76	411,400	11,998.89	35,446	648.60	1,596	173,967.25	448,442
„ Hoop	„	...	...	17.73	63	...	...	17.73	63
„ Pigs and Kentledge	„	410.00	210	...	...	...	...	410.00	210
„ Ware manufactured	„	9,720.66	40,327	2,803.59	13,368	...	...	12,524.25	53,695
„ Unmanufactured	„	3,178.96	3,564	26.30	38	...	...	3,205.26	3,601
Lead in pigs	„	64,812.21	404,954	420.96	2,407	1,578.00	9,474	66,811.17	416,835
„ Sheet and Tea	„	342.29	1,585	14.13	70	...	...	356.42	1,655
Quicksilver...	„	151.87	7,323	95.61	4,605	...	...	247.48	11,928
Spelter and Zinc	„	122.66	654	77.38	258	...	...	200.04	912
Steel	„	4,238.85	15,732	562.60	2,910	...	...	4,801.45	18,642
Tin in slabs	„	...	...	19,159.72	395,099	52.00	800	19,610.24	395,899
Tin Plates	„	7,267.86	36,349	337.84	2,423	...	...	7,605.70	38,772
Metal, Manufactured unclassed, such as Hardware, Brass-ware, Brass Buttons, Steelware, Tinware, Cutlery, &c.	Value	...	6,471	...	7,472	...	...	...	13,943
TOTAL .... *Taels*...	...	...	22,309,714	...	2,559,587	...	11,870	...	24,881,171

No. 1.—RETURN of the BRITISH IMPORT TRADE at the PORT OF SHANGHAI, for the Year ended December 31st 1868.—*Continued.*

DESCRIPTION OF GOODS.	CLASSIFIER OR QUANTITY.	GREAT BRITAIN.		HONGKONG.		TOTAL.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			Taels.		*Taels.*		*Taels.*
MISCELLANEOUS—BRITISH.							
Alum—white	Piculs	2.20	5	...	...	2.20	5
Amber	„	.36	5	...	...	.36	5
Anchors and Chains	„	10,678.00	200	...	...	10,678.00	200
Barometers and Thermometers	Pieces	966	233	111	644	1,077	877
Belts, Elastic	Dozen	...	...	255	245	255	245
Borax	Piculs	1.05	81	...	...	1.05	81
Bricks and Tiles	Pieces	13,708	281	2,500	100	16,208	381
Cement	Piculs	47.09	86	...	...	47.09	86
Chalk	„	19.50	21	...	...	19.50	21
Clay, Fire	„	16.80	300	...	...	16.80	300
Clocks	Pieces	543	2,127	803	3,410	1,346	5,537
Coals	Tons	63,141	649,617	...	...	63,141	649,617
Coke	Piculs	8,221.20	6,030	...	...	8,221.20	6,030
Corks	Gross	569	203	...	...	569	203
Cotton Waste	Piculs	32.76	230	...	...	32.76	230
Dyes and Colours	Packages	27	1,099	...	...	27	1,099
Elastic	Pieces	...	...	15	120	15	120
Felt Sheathing and Roofing	„	9,440	1,990	...	...	9 440	1,990
Flint Stone	Piculs	23,342.80	21,950	...	...	23,342.80	21,950
Glue	„	4.16	45	...	...	4.16	45
Gold and Silver Thread, Real.	„	...	...	.20	400	.20	400
Grains and Pulse	„	71.40	199	...	...	71.40	199
Gum Arabic	„	.04	3	...	...	.04	3
Gypsum	„	50.00	35	...	...	50.00	35
Hair, Horse	„	1.50	16	...	...	1.50	16
Hemp	„	32.30	215	...	...	32.30	215
„ Twine	„	73.02	925	...	...	73.02	925
Hides, Cow and Buffalo	„	1.57	15	...	...	1.57	15
Indian Rubber	„	7.55	488	1.50	24	9.05	512
Isinglass	„	.90	50	...	...	.90	50
Lamp Wick	Gross	550	325	47	9	597	334
Leather	Piculs	51.45	1,875	225.40	3,495	276.85	5,370
„ Ware	„	5.62	115	...	...	5.62	115
Looking Glasses	Pieces	132	1,268	68	80	200	1,348
Matches	Gross	12,373	17,024	7,720	5,830	20,093	22,854
Musical Boxes & Instruments.	Pieces	210	2,822	7,338	3,237	7,548	6,059
Needles	Mils	162,250	234,170	211,100	27,601	373,350	261,771
Oakum	Piculs	348.40	1,906	85.05	720	433.45	2,626
Ochre	„	14.54	22	...	...	14.54	22
Oil—Castor	Gallons	...	...	1,250	898	1,250	898
„ Cloth	Pieces	30	70	...	...	30	70
„ Kerosine	Gallons	1,350	575	22,760	4,545	24,110	5,120
„ Lamp	„	...	...	390	78	390	78
„ Linseed	„	692	417	475	250	1,167	667
„ Paint	„	3,304	1,943	1,323	655	4,627	2,598
„ Petroleum	„	...	...	8,580	1,440	8,580	1,440
Optical Instruments	Packages	3	310	12	1,169	15	1,479
Paints—assorted	Piculs	1,928.89	9,385	103.06	1,200	2,031.95	10,585
Paper, Wall	Rolls	8,749	700	...	...	8,749	700
Pictures and Engravings	Pieces	255	356	1,928	784	2,183	1,140
Pitch	Barrels	205	879	...	...	205	879
Rope, Europe	Piculs	1,088.41	8,438	185.01	1,557	1,273.42	9,995
Rhubarb	„	2.20	160	...	...	2.20	160
Snuff	„	..	...	1.30	204	1.30	204
Stereoscopic Views & Albums	Dozen	1,400	345	5,130	1,245	6,530	1,590
Sugar, Loaves	Piculs	257.57	2,246	54.46	512	312.03	2,758
„ White	„	670.00	3,500	1,510.53	7,556	2,180.53	11,056
Tar	Barrels	6	110	409	210	415	320
Toys	Dozen	6	110	409	210	415	320
Turpentine	Gallons	1,235	812	1,025	219	2,260	1,031
Ultramarine	Piculs	5.50	54	...	...	5.50	54
Umbrellas—Alpaca	Dozen	80	500	...	...	80	500
„ Cottton	„	1,310	4,350	455	348	1,765	4,698
„ Silk	„	355	6,622	66	1,027	421	7,649
Varnish	Piculs	9.60	60	...	...	9.60	60
Watches	Pairs	...	...	2,146	24,785	2,146	24,785
Watch-maker's Tools	Packages	1	80	10	689	11	769
Whiting	Piculs	19.70	20	...	...	19.70	20
Window Glass	Boxes	13,305	52,196	3,244	15,915	16,549	68,111
TOTAL—*Taels*			1,040,214		111,411		1,151,625

No. 1.—RETURN of the British Import Trade at the Port of Shanghai, for the Year ended December 31st 1868.—*Continued.*

DESCRIPTION OF GOODS.	Classifier or Quantity.	HONGKONG.		SINGAPORE AND STRAITS.		AUSTRALIA.		TOTAL.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Miscellaneous—Colonial—			*Taels.*		*Taels.*		*Taels.*		*Taels.*
Aniseed Star, whole ...	Piculs	14.80	280	...	...	...	...	14.80	280
Asafoetida ...	,,	1.72	18	...	...	...	...	1.72	18
Betel Nuts ...	,,	2,376.17	10,090	1,696.48	3,898	...	...	4,072.65	13,988
Beché-de-Mer	,,	4,470.01	65,538	709.78	5,190	...	...	5,179.75	70,728
Birds Nests...	,,	188.05	56,286	1.00	600	...	...	189.05	56,886
Bones, Tiger	,,	2.50	62	...	...	...	...	2.50	62
Borax	,,	23.08	189	35.68	278	...	...	58.76	467
Camphor Baroos, Clean	,,	2.79	4,000	...	...	...	...	2.79	4,000
,, ,, Refuse	,,	1.70	835	...	...	...	...	1.70	835
Cardamoms, Superior	,,	3 96	200	...	...	...	...	3 96	200
,, Inferior...	,,	116.35	3,217	...	...	...	...	116.35	3,217
Cloves and Spices	,,	1,076.83	8,006	..	...	...	...	1,076.83	8,006
Coals	Tons	...	...	...	...	59,442	587,427	59,442	587,427
Cocoa Nuts...	Pieces	...	...	3,250	165	...	...	3,250	165
Coffee	Piculs	454.80	3,764	49.00	180	...	...	503.80	3,944
Coir	,,	52.00	205	...	...	...	...	52.00	205
Coral, Beads	,,	1.12	2,398	...	...	...	...	1.12	2,398
Cotton, Raw	,,	146.19	2,225	...	...	...	...	146.19	2,225
Cow Bezoar	,,	.04	270	...	...	...	...	.04	270
Corcodile Scales	,,	10.35	359	...	...	...	...	10.35	359
Curios	Packages	1	50	...	...	...	...	1	50
Cutch	Piculs	66.85	266	...	...	...	...	66.85	266
Dyes and Colours	Packages	144	8,558	3	250	...	...	147	8,808
Elephants' Teeth, whole	Piculs	62.37	4,495	3.00	540	...	...	65.37	5,035
,, ,, broken	,,	42.90	2,700	...	...	...	...	42.90	2,700
Feathers, King Fishers'	Pieces	98,310	9,810	6,000	700	..	...	104,310	10,510
Fish, dry and salt	Piculs	4.82	88	...	...	7.00	28	11.82	116
Fish Maws ...	,,	7.35	90	2.62	39	...	...	9.97	129
Fish Skins ...	,,	732.07	2,700	...	...	...	...	732.07	2,700
Firewood ...	,,	...	...	100.00	20	...	...	100.00	20
Flint Stones	,,	1,008.00	800	4,347.00	4,247	...	...	5,355.00	5,047
Carried forward ..... *Taels*...	...	...	187,499	...	16,107	...	587,455	...	791,061

No. 1.—RETURN of the British Import Trade at the Port of Shanghai, for the Year ended December 31st 1868.—*Continued.*

DESCRIPTION OF GOODS.	Classifier or Quantity.	HONGKONG.		SINGAPORE AND STRAITS.		AUSTRALIA.		TOTAL.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			Taels.		*Taels.*		*Taels.*		*Taels.*
Brought forward	...	...	187,499	...	16,107	...	587,455	...	791,061
Miscellaneous—Colonial—*cont.*									
Flour	Piculs	4,843 67	15,931	...	...	837.60	3,413	5,681.27	19,344
Fur Cloth	Pieces	46	1,500	...	...	...	...	46.00	1,500
Galangal	Piculs	633.30	815	...	...	...	...	633.30	815
Gambier	,,	139.00	581	...	...	...	...	139.00	581
Gamboge	,,	8.69	274	...	...	...	...	8.69	274
Ginseng	,,	248.36	54,825	...	...	...	...	428.36	54,825
Glue	,,	40.20	370	1.30	39	...	...	41.50	409
Grains and Pulse	,,	247.10	533	305.76	611	...	...	552.86	1,144
Gum, Dragons' Blood	,,	34.22	601	...	...	...	...	34.22	601
,, Benjamin	,,	.35	25	...	...	...	...	.35	25
,, Myrrh	,,	252.58	2,056	...	...	...	...	252.58	2,056
,, Olibanum	,,	926.23	5,653	...	...	...	...	926.23	5,653
Hides, Cow and Buffalo	,,	68.50	913	...	...	...	...	68.50	913
,, Rhinoceros	,,	4.95	30	...	...	...	...	4.95	30
Horns, Deer, old	,,	13.60	105	...	...	...	...	13.60	105
,, Rhinoceros	,,	19.25	9,296	...	...	...	...	19.25	9,296
Indigo	,,	5,933.10	77,808	70.12	270	...	...	6,003.22	78,078
Leather	,,	...	...	4.00	30	3.42	270	7.42	300
Mangrove Bark	,,	1,089.92	1,290	3,662.50	4,635	...	...	4,752.42	5,925
Mats, Straw	Pieces	...	...	896	348	...	...	896	348
Mattings	Rolls	244	2,018	...	...	...	...	244	2,018
Molasses	Piculs	2.00	4	...	...	...	...	2.00	4
Mushrooms...	,,	3,775.80	103,217	...	...	...	...	3,775.80	103,217
Oil, Cocoanut	,,	61.00	42	...	...	...	...	61.00	42
Pepper, black and white	,,	24,810.23	151,452	2,708.12	12,867	...	...	27,518.35	164,319
Poles	Pieces	...	...	510	800	...	...	510	800
Potatoes	Piculs	173.00	279	...	...	...	...	173.00	279
Putchuck	,,	1,311.25	18,485	...	...	...	...	1,311.25	18,485
Rattans	,,	7,722.87	26,695	4,221.80	138,73	...	...	11,944.67	40,568
Rice		243.80	509	...	..	...	...	243.80	509
Rope, Manila		1,367.29	11,860	...	...	...	...	1,367.29	11,860
Carried forward .... *Taels*...	...	...	674,666	...	49,580	...	591,138	...	1,315,384

No. 1.—RETURN of the BRITISH IMPORT TRADE at the PORT OF SHANGHAI, for the Year ended December 31st 1868.—*Continued.*

DESCRIPTION OF GOODS.	CLASSIFIER OR QUANTITY.	HONGKONG.		SINGAPORE AND STRAITS.		AUSTRALIA.		TOTAL.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			Taels.		*Taels.*		*Taels.*		*Taels.*
Brought forward.....	...	...	674,666	...	49,570	...	391,138	...	1,315,384
MISCELLANEOUS—COLONIAL—*cont.*									
Saltpetre	Piculs	881.67	4,400	...	...	...	...	881.67	4,400
Sea Shell.....	„	1,144.07	2,727	282.82	364	...	...	1,426.89	3,091
Seaweed and Agar-agar	„	3,365.58	11,219	566.49	1,910	...	...	3,932.07	13,129
Sharks Fins, black.....	„	290.38	5,332	...	...	...	...	290.38	5,332
„ „ white	„	113.40	4,744	...	...	...	...	113.40	4,744
„ „ skins.....	Pieces	383	30	...	...	...	...	383	30
Shellfish, Awabi and Shrimps...	Piculs	1,160.04	20,088	...	...	...	...	1,160.04	20,088
Sheep Skins	Pieces	...	...	6,730	400	...	...	6,730	400
Timber of all kinds	Value	...	15,028	...	45,321	...	...	15,028	60,349
Tinder	Piculs	...	...	72.94	730	...	...	72.94	730
Tortoise Shell, whole	„	7.07	2,774	1.40	600	...	...	8.47	3,374
„ „ broken	„	51.53	1,888	...	...	...	...	51.53	1,888
Wax, Vegetable and Tallow.....	„	73.35	890	...	...	28.53	140	101.88	1,030
Wood, Sandal	„	18,623.45	152,902	...	...	22,166.22	94,092	40,789.67	246,994
„ Sapan	„	12,603.10	28,931	...	...	...	...	12,603.10	28,931
„ Other sorts unclassed...	„	2,279.92	9,371	6,921.36	13,573	...	...	9,201.28	22,944
TOTAL .... *Taels*...	...	...	934,990	...	112,478	...	685,370	...	1,732,838

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No. 1.—RETURN of the BRITISH IMPORT TRADE at the PORT OF SHANGHAI, for the Year ended December 31st, 1868.—*Continued.*

FROM INDIA.

	Piculs. cts.	*Taels.*
OPIUM—Malwa	26,645.00	13,242,565
„ Patna	6,974.40	3,396,532
„ Benares	3,864.00	1,835,400
„ Persian...	139.00	59,075
„ Turkish	7.80	3,705
	TOTAL—*Taels*...	18,537,277

SUMMARY OF FOREGOING.

	Taels.		£	*s.*	*d.*
Value of Imports from Great Britain	23,349,928 ...	@ 5s. 9d. ...	6,703,104	6	0
„ „ „ India.....	18,537,277 ...	„ ...	5,327,855	17	9
„ „ „ Hongkong	3,605,988 ...	„ ...	1,036,721	11	0
„ „ „ Australia and Colonies	685,370 ...	„ ...	197,043	17	6
„ „ „ Singapore and Straits	124,348 ...	„ ...	35,750	1	0
Total value of British Imports—Taels...	46,302,911	Sterling £ ...	13,300,275	13	3

W. H. MEDHURST,

Consul.

BRITISH CONSULATE,

Shanghai, 20th April, 1869.

RETURN No. 2.

A SUMMARY OF RETURN No. 1, showing the Total Value of BRITISH IMPORTS for the year ended December 31st 1868.

I.—British Goods.

	Taels.	Taels.
MANUFACTURES—		
Cotton Piece Goods	17,429,068	
Woollen Goods	5,857,045	
Linen	71,321	
Silk and Woollen Mixtures	60,105	
		23,417,539
METALS—		
Iron	506,012	
Lead	418,490	
Tin in slabs and plate	434,671	
Copper Nails Sheet and Old	59,034	
Quicksilver and Steel	30,570	
Metals manufactured, unclassed, such as Spelter, Zinc, Hardware, Brassware, Brass Buttons, Steelware, Tinware, &c.	14,855	
		1,463,632
MISCELLANEOUS—		
Coals and Coke	655,647	
Flint Stone	21,950	
Leather and Ware	5,485	
Matches	22,854	
Musical Boxes and Instruments	6,059	
Needles	261,771	
Oil, assorted	10,871	
Paints, do.	10,585	
Rope, Europe	9,995	
Sugar, white and loaves	13,814	
Umbrellas	12,847	
Watches and Clocks	31,091	
Window Glass	68,111	
Sundries	20,545	
		1,151,625

II.—Indian and Colonial Produce.

Opium	18,537,277	
Betel Nuts	13,988	
Beché-de-Mer	70,728	
Bird Nests	56,886	
Coals	587,427	
Feathers, King Fishers'	10,510	
Flour	19,344	
Ginseng	54,825	
Horns, Deer and Rhinoceros	9,401	
Indigo	78,078	
Mushrooms	103,217	
Pepper, black and white	164,319	
Putchuck	18,485	
Rattans	40,568	
Rope, Manila	11,860	
Seaweed and Agar-Agar	13,129	
Shark Fins and Skins	10,106	
Shell Fish, Awabee and Shrimps	20,088	
Timber of all kinds*	45,321	
Woods—Sandal, Japan, and other kinds	298,869	
Sundries	105,689	20,270,115

Total value British Imports..... Tls. 46,302,911

W. H. MEDHURST,
Consul.

BRITISH CONSULATE,
Shanghai, April 20th, 1869.

RETURN No. 4.

RETURN of the BRITISH EXPORT TRADE at the PORT OF SHANGHAI, for the Year ended December 31st 1868.

DESCRIPTION OF GOODS.	CLASSIFIER OR QUANTITY.	GREAT BRITAIN.		CANADA.		INDIA.		SINGAPORE AND STRAITS.		TOTAL.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			Taels.		*Taels.*		*Taels.*		*Taels.*		*Taels.*
Silk—Raw	Piculs	29,163.25	15,019,073	...		488.60	131,029	...	...	29,651.85	15,150,102
„ Refuse or Waste	„	2,381.25	154,781	...	...	...	...	...	...	2,381.25	154,781
„ Coarse and Wild	„	5.12	1,000	...	...	...	...	...	...	5.12	1,000
„ Thrown	„	276.70½	150,418	...	...	...	...	...	...	276.70½	150,418
„ Piece Goods, fine	„	16.17	4,800	...	...	16	90	13.50	5,250	29.83	10,140
„ „ coarse	„	...	...	...	...	...	...	1.75	450	1.75	450
„ Cocoons	„	147.32¼	16,700	...	...	...	...	...	...	147.32¼	16,700
„ Worm Eggs.....	Packages	113	5,000	...	...	...	...	...	...	113	5,000
Tea—Black...	Piculs	414,215.64	10,567,498	111.63	2,846	59.74	1,523	9.18	234	414,396.19	10,572,101
„ Green	„	63,804.84	2,424,583	6,162.33	234,156	3,177.40	120,726	...	...	73,144.57	2,779,465
„ Dust	„	13,434.54	120,915	...	...	...	...	...	...	13,434.54	120,915
„ Stalk...	„	287.64	2,594	...	...	...	...	...	...	287.64	2,594
Brass, Buttons	„	...	...	...	...	...	...	31.30	160	31.30	160
„ Ware	„	10.40	279	...	...	...	...	291.33	5,375	301.73	5,654
Caps, Silk	Pieces	...	...	...	...	...	...	94	20	94	20
China Ware, fine	Piculs	...	...	...	...	...	...	159.63	4,416	159.63	4,416
„ „ coarse	„	...	...	...	...	...	...	517.10	4,570	517.10	4,570
Curios	Packages	47	3,970	...	...	...	...	...	...	47	3,970
Earthen Ware	„	...	...	...	...	...	...	238,544	2,970	238,544	2,970
Glass Ware...	„	...	...	...	...	...	...	290	40	290	40
Gold and Silver Thread	„	...	...	...	...	...	...	10	20	10	20
Hams	„	...	...	...	...	...	...	1,750	180	1,750	180
Indigo, Liquid	„	433	25	...	...	...	...	...	...	433	25
Ink, India	„	189	700	...	...	...	...	...	...	189	700
Lacquered Ware	„	...	...	...	...	...	...	20	8	20	8
Lamps Wicks	„	...	...	...	...	...	...	1,566	133	1,566	133
Lard	„	168	1,375	...	...	...	...	...	...	168	1,375
Lily Flowers, dried	„	...	...	...	...	...	...	2,460	210	2,460	210
Mats, Straw	Pieces	...	...	...	...	...	...	10,958	573	10,958	575
Medicine.....	Piculs	...	...	..	...	...	...	7.86	117	7.86	117
Melon Seeds	„	...	...	...	...	...	...	11.00	90	11.00	90
Carried forward ..... *Taels*...	...	...	28,473,711	...	237,002	...	253,368	...	24,818	...	28,988,899

Carried forward ..... *Taels*...	...	...	28,473,711	...	237,002	...	253,368	...	24,818	...	28,988,899		

No. 4.—RETURN of the BRITISH EXPORT TRADE at the PORT OF SHANGHAI, for the Year ended December 31st 1868.—*Continued.*

DESCRIPTION OF GOODS.	CLASSIFIER OR QUANTITY.	GREAT BRITAIN.		CANADA.		INDIA.		SINGAPORE AND STRAITS.		TOTAL.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			Taels.		*Taels.*		*Taels.*		*Taels.*		*Taels.*
Brought forward	...	...	28,473,711	...	237,002	...	253,368	...	24,818	...	28,988,899
Musks	Piculs	4.74	32,277	...	...	...	...	...	...	4.74	32,277
Nankeens	„	22.00	1,250	...	...	...	...	...	...	22.00	1,250
Nutgalls	„	10,060.27	62,092	...	...	...	...	...	...	10,060.27	62,092
Oil, Tea	„	7.00	33	...	...	...	...	...	...	7.00	33
„ Linseed	„	6.00	20	...	...	...	...	...	...	6.00	20
Paper, first quality	„	.31	15	...	...	...	...	...	...	.31	15
Plasters	Pieces	...	...	...	...	...	...	4,000	10	4,000	10
Rhubarb	Piculs	1,891.94	99,132	...	...	...	...	...	...	1,891.94	99,132
Safflower.....	„	...	...	...	...	...	...	13.50	968	13.50	968
Sugar, Brown	„	10,083.70	34,961	...	...	...	...	...	...	10,083.70	34,961
„ White	„	98.00	460	...	...	...	...	...	...	98.00	460
Vermecilli	„	...	...	...	...	...	...	59.82	300	59.82	300
Wool, Camels'	„	311.50	1,467	...	...	...	...	...	...	311.50	1,467
TOTAL .... *Taels*...	...	...	28,705,418	...	237,002	...	253,368	...	26,096	...	29,221,884

SUMMARY OF FOREGOING.

	Taels.			£	*s.*	*d.*
Value of Exports to Great Britain	28,705,418	...	@ 5s. 9d. ...	8,252,807	13	6
„ „ „ Canada.....	237,002	...	„ ...	68,138	1	6
„ „ „ India	253,368	...	„ ...	72,843	6	0
„ „ „ Singapore and Straits	26,096	...	„ ...	7,502	12	0
Taels...	**29,221,844**		**Sterling £ ...**	**8,401,291**	**13**	**0**

BRITISH CONSULATE,
Shanghai, April 20th, 1869.

W. H. MEDHURST,
Consul.

RETURN No. 5.

A SUMMARY OF RETURN No. 4, showing the total value of BRITISH EXPORTS during the year ended December 31st 1868.

Silk	15,488,591
Tea, Black	10,572,101
„ Green	2,902,974
Rhubarb	99,132
Nut Galls.....	62,092
Musks	32,277
Sugar, White and Brown	35,421
Sundries	29,296
Total value British Exports—Taels.....	**29,221,884**

W. H. MEDHURST,
Consul.

BRITISH CONSULATE,
Shanghai, April 20th, 1869.

RETURN No. 7.

RETURN showing IMPORTS from COAST AND RIVER PORTS and RE-EXPORTS to FOREIGN COUNTRIES of SILK, TEA AND COTTON, during the year 1868.

DESCRIPTION OF GOODS.	WEIGHT.	IMPORTS FROM COASTS & RIVER PORTS.		WEIGHT.	RE-EXPORTED TO FOREIGN COUNTRIES.	
		Quantity.	Value.		Quantity.	Value.
			Taels.			*Taels.*
Silk, Raw—Ningpo	Piculs	1,535.40	652,545	Piculs	1,590.57	675,992
„ „ Hankow	„	1,710.86	470,486	„	1,329.20	365,530
„ „ Chefoo	„	296.22	42,952	„	295.31	42,820
„ „ Canton	„	4.00	1,600	„	...	...
Tea, Black—Hankow	„	297,743,61	7,890,215	„	293,026.07	7,765,185
„ „ Kinkiang	„	118,709.03	2,916,193	„	119,517.32	2,928,066
„ „ Foochow	„	1,004.65	24,613	„	247.30	6,057
„ Green—Ningpo	„	125,189.77	4,882,371	„	125,077.26	4,878,003
„ „ Kinkiang	„	62,337.94	2,306,506	„	55,317.34	2,046,729
„ „ Hankow	„	131.48	4,847	„	5.62	201
„ „ Foochow	„	29.60	1,085	„	...	...
„ Brick	„	56,171.62	533,624	„	...	...
„ Dust	„	13,926.88	125,343	„	8,512.62	76,610
„ Leaf	„	3,620.00	69,680	„	853.75	16,210
Cotton, Raw—Ningpo	„	26,956.22	412,085	„	3,240.58	48,945
„ „ Tientsin.....	„	1,486.33	22,385	„	205.23	3,080
TOTAL .... *Taels*...	...	...	20,356,530	...	...	18,853,428

W. H. MEDHURST,
Consul.

BRITISH CONSULATE,
Shanghai, April 20th, 1869.

RETURN No. 10.

RETURN showing the movements of BRITISH VESSELS at the PORT OF SHANGHAI during the year 1868.

DISTRIBUTION.	1868.				1867.			
	INWARD.		OUTWARD.		INWARD.		OUTWARD.	
	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.
Great Britain	104	71,572	58	38,142	78	50,618	55	40,279
Mail Steamers	24	18,672	24	18,672	24	21,278	24	20,152
Hongkong	55	45,908	95	75,112	88	54,971	76	65,240
India, Straits Settlements and Siam	1	424	2	1,196	7	2,487	1	893
Phillipines	2	481	6	3,166	8	1,943	7	5,326
Chinese Coast Ports	453	157,297	492	181,128	444	161,713	476	207,616
Yangtze River Ports	88	79,003	117	85,584	82	113,642	75	71,639
Japan	108	42,251	114	43,971	104	47,423	134	58,561
British America and United States	5	2,912	10	6,621	3	1,447	21	11,630
Australian Colonies	68	38,604	1	298	36	20,134	...	...
TOTAL	No. 908	Tons 457,124	No. 919	Tons 454,047	No. 874	Tons 475,656	No. 869	Tons 481,336

BRITISH CONSULATE,
Shanghai, April 20th, 1869.

W. H. MEDHURST,
Consul.

1868.

(A.)

DIRECT TRADE.

Imports and Exports.

General Imports, British and Foreign.	General Exports, British and Foreign,	Total, General Imports and Exports.	British Imports, as distinguished from Foreign.	British Exports, as distinguished from Foreign.	Total British Imports and Exports, as distinguished from Foreign.	Remarks.
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
14,434,639 0 0	11,256,582 0 0	25,691,221 0 0	13,300,275 0 0	8,401,291 0 0	21,701,566 0 0	

Treasure.

	£ s. d.		£ s. d.
Imported from Great Britain or British Colonies	No data procurable.	Exported to Great Britain or British Colonies	No data procurable.
Imported from other Foreign Countries		Exported to other Foreign Countries	
Total Treasure Imported ... .£	—	Total Treasure Exported ... . £	—

Total Treasure Imported and Exported ... . £ —

H. B. M. Consulate,
Shanghai, 20th April, 1869.

W. H. MEDHURST,
Consul.

1868.

INDIRECT TRADE.

(B.)

COAST OR RIVER TRADE.

Imports and Exports.

General Imports, in British and Foreign Vessels.	General Exports, in British and Foreign Vessels.	Total General Imports and Exports, in British and Foreign Vessels.	Imports in British Vessels, as distinguished from Foreign.	Exports in British Vessels, as distinguished from Foreign.	Total Imports and Exports in British Vessels, as distinguished from Foreign.	Remarks.
£ s. d.	£ s. d.	£ s. d.	As the Customs Returns do not distinguish goods carried in British vessels from those conveyed under other foreign flags, this information is not procurable.			
9,869,151 0 0	2,246,364 0 0	12,115,515 0 0				

Treasure.

	£ s. d.		£ s. d.
Imported in British Vessels	Not procurable.	Exported in British Vessels	Not procurable.
Imported in Foreign Vessels		Exported in Foreign Vessels	
Total..... ....£	—	Total..... ....£	—

Total Treasure Imported and Exported in British and Foreign Vessels .... £ —

H. B. M. Consulate,
Shanghai, 20th April, 1869.

W. H. MEDHURST,
Consul.

1868.

(C.)

SHIPPING RETURN.

BRITISH.

Entered.				Cleared.				Total Entered and Cleared.			
Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.
908	457,124	Information not obtainable.		919	454,047	Information not obtainable.		1,827	911,171	Information not obtainable.	

FOREIGN.

Entered.				Cleared.				Total Entered and Cleared.			
Number of Vessels.	Tonnage	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.
943	463,781	Information not obtainable.		951	444,984	Information not obtainable.		1,894	908,765	Information not obtainable.	

Total British and Foreign Entered:—
Number of Vessels.....1,851
Tonnage 920,905
Number of Crew ..... } Information not
Value of Cargo ..... } obtainable.

Total British and Foreign Cleared:—
Number of Vessels.....1,870
Tonnage 899,031
Number of Crew ..... } Information not
Value of Cargo ..... } obtainable.

Total British and Foreign Entered and Cleared:—
Number of Vessels.....3,721
Tonnage 1,819,936
Number of Crew ..... } Information not
Value of Cargo ..... } obtainable.

H. B. M. Consutate,
Shanghai, 20th April, 1869.

W. H. MEDHURST,
Consul.

CHINKIANG.

IMPORTS.

The total amount of Imports for the year 1868, is estimated at Chinkiang taels 5,693,980, equal at 6s. 1d. per tael, to £1,731,918. 18s. 4d. of which native imports are valued at taels 2,037,117, opium at taels 2,530,315, and other foreign products at taels 1,126,548. The total value of imports in 1866 was taels 3,453,629, of which taels 3,165,589 represented the value of opium alone, and the total in 1867 taels 3,336,618 in which amount opium was estimated at Tls. 2,762,197. Consequently, the total increase in the value of goods imported in 1868, as compared with that of the year before, is about 70 per cent, and leaving opium out of the question, no less than 450 per cent. I subjoin a comparative statement of the principal imports during the past 3 years.

	1866.	1867.	1868.
Opium .....pls.	5,042	4,837	4,878
Sandal wood ..... ,,	8,322	11,131	12,231
Sapan ,, ... ,,	306	652	2,936
Sugar, brown, foreign ,,	8,976	17,372	27,221
,, white, ,, ,,	2,909	8,664	14,719
,, brown, native ,,	31,367	31,671	47,132
,, white, ,, ,,	28,685	31,536	32,573
,, candy ..... ,,	964	938	1,660
Shirtings, grey ..... pcs.	14,384	45,650	174,780
,, white..... ,,	1,466	5,069	10,250
Cottons, assorted ... ,,	3,380	22,241	62,252
Woollen piece goods ,,	4,364	9,082	22,450
Nail rod iron .....pls.	5,014	2,899	8,731
Pea and bean oil..... ,,	15,769	21,156	11,980
Fungus..... ,,	666	698	815
Hemp .... ,,	10,566	3,337	5,910
Wood oil .... ,,	79,762	83,923	88,179
Paper, 1st. ..... ,,	157	190	339
,, 2nd..... ,,	1,062	998	1,099
Tallow, veg..... ,,	13,837	16,676	17,476
Tobacco, leaf ..... ,,	4,308	3,958	2,182
,, prepared... ,,	5,516	3,454	2,354
Medicine ..... ,,	1,319	1,985	2,562

The most noticeable item in this table is decidedly that of Grey Shirtings, the increase in the amount imported in 1868, over that brought here the year before, being nearly 300 per cent. Other cotton piece goods and woollens also shew an immense advance. This is not only a satisfactory proof of the improvement of trade at this port, but it also shews that our manufactures are becoming more appreciated by the Chinese, and that fresh marts for foreign goods are being opened up-country. It has been remarked to me by a merchant, that the sale of woollens may be taken as a test of the prosperity of any district in China; as the expense of these fabrics to a native is greater than that of the finest silks. It is fair, therefore, to argue the greatly increased prosperity of this neighbourhood from the present large imports of woollens, as compared with the amounts sold here in former years.

A great increase in the items of Sugar, Nail Rod Iron, Sandalwood, and Sapanwood is also to be noted. Large quantities of these goods are conveyed into the interior under transit passes, and there is evidently a great demand for them in the large towns in this neighbourhood. The only articles in which any falling off is shewn are the Native Products, Tobacco, and Pea and Bean Oil. The decrease in the amount of the last named item is owing partly to the market being overstocked in 1867, and to the fact that large quantities of Pea and Bean Cake reach this district from the North by way of the Great Canal, so that it is expected that this article will form an item of export this year, instead of import.

I may remark here that timber, which used, in 1863 to 1865, to form a large item of import, is now never brought to this Port by foreigners, as investments in rafts have been found to be too hazardous.

EXPORTS.

The total value of goods exported from Chinkiang during 1868 amounts to Tls. 441,919, equal to £ 134,417, 0s. 7d., against taels 385,928 in 1867, and taels 274,491 in 1866, shewing an increase for the present year of about 14%. Silk piece goods alone are valued at taels 411,440. I subjoin a tabular statement of the principal exports during the last 3 years.

	1866.	1867.	1868.
Silk piece goods ... ..pls.	376	593	887
Cotton, raw ..... ,,	976	1,392	707
Grain..... ,,	1,032	4,898	1,982
Medicine ..... ,,	396	361	401
Copper cash ..... ,,	34,537	...	940
Lily flowers ..... ,,	160	209	490
Paper ..... ,,	237	185	371

It will be seen from the above table that a satisfactory increase is shewn in the principal article of export—Silk piece goods. Above 300 silk-looms are at work in Chinkiang ; which is a sign that the people are returning to their houses, since the Taiping rebellion has been put down. The copper cash exported from Chinkiang used formerly to be sent to Hankow, whence it was forwarded to the tea country, to be used as payment for tea. The custom of contracting to purchase Teas has now almost entirely ceased, in addition to which the tea districts are well supplied with *cash* from the former large imports from this place and Ningpo, as well as from an immense importation of Japan *cash* in 1865. Consequently, this branch of the export trade of Chinkiang is not in a very flourishing condition. With regard to the trade in raw cotton, it is found that Shanghai is a better outlet for the Tung-chow cotton districts, than this port, and therefore the export of this product is but small, and is not likely to increase

I may mention at this stage of my report, that on the North bank of the river, opposite Chinkiang, is a depôt for salt; and that from 5 to 7 million taels worth of this article is annually exported in native boats.

TREASURE.—The item Treasure has not been included in the two above tables. Taels 523,186 of sycee silver have been imported, and Taels 863,020 exported. The copper cash exported is valued at Taels 8,500.

SHIPPING AND FREIGHTS.—The total number of vessels entering this Port from up and down the river in 1868, amounts to 1332 of 729,634 tons, although, of course, many of these had no cargo for this place. The foreign trade on the Yang-tsze is carried on principally by two companies, the Shanghai Steam Navigation Company, running every week 3 steamers under the American flag up the River, and the same number down; and the Union Steam Navigation Company, with one steamer a week each way, under the English colors. These two companies charge Taels 2 per ton of 40 cubic feet from Shanghai, and Taels 3.50 from Hankow. This charge is so excessive that an opening is given to small vessels of the lorcha class; which are much patronised by the Chinese, and by foreign merchants, when delay is not of much consequence. 157 lorchas and schooners of 13,853 tons capacity entered this port from down river in 1868, of which 84 went on to Hankow. Of these 157, 93 were English, 27 American, 28 North-German, 8 Danish, and 1 Dutch. An attempt was made during the summer to start a new line of steamers, but the projectors of the scheme found themselves unable to compete with the two lines already established, who combined to drive the new steamers off the river. 38 foreign-owned Junks of 3,314 tons arrived here from Hankow during 1868.

DUTIES.—I subjoin a table of duties received at this port during the past year.

	Haikuan Taels
Import duties	1,020.0.3.9
Export „	11,965.8.4.3
Tonnage dues	3 184.1.0.0
Coast Trade duties	10,827.9.7.5
Transit dues	5,541.7.1.6
Duties on native craft	6,097.1.2.6
Total Haikuan Taels...	38,636.7.9.9

The total amount of duties paid in 1867 was taels 24,254.4.6.7, leaving an increase for the present year of taels 14,382.3.3.2 The most remarkable item in the above table is that of Transit Dues, as the amount paid in 1867, was only taels 439.6.4.2. This increase is most satisfactory, as shewing that the trade at this port is not entirely absorbed by the Chinese. It is calculated that about 30 per cent of the cottons imported into Chinkiang, 10 per cent of the woollens, 20 per cent of the Iron, 10 per cent of the Sugar, and 20 per cent of the Sandalwood are sent into the interior under Transit pass. The principal inland marts in this neighbourhood are Ching-chiang-pu 清江浦 Huai-an-fu 淮安府 Ch'u-chow-foo 徐州府 Wu-hu 蕪湖 Yang-chow-fu 揚州府 Nanking 南京 and Lieo-chow-foo 廬州府.

NATIVE EXACTIONS.—I subjoin a list of charges on cotton at the various custom Houses between this and Ching-chiang-pu, on the great canal, as a specimen of the usual "squeezes" on native owned goods in this district.

Kua-chou 瓜州.....	120	copper cash.
Yang-chow-foo 揚州府	60	„ „
Sao-poh 邵伯.....	40	„ „
Ma-pêng-wai 馬棚灣	50	„ „
Kao-yu 高郵.....	50	„ „
Pao-ying 寶應.....	50	„ „
Huai-kwan 淮關.....	50	„ „
Total.....	420	copper cash.

The only place at which any attempts to levy duties on foreign owned cargo have been made, is Hai-kwan, where, on two occasions, the Customs officials stopped property belonging to British merchants, because the Chinese in charge of the goods refused to pay the ordinary native tax. Full compensation has since been exacted for this illegal action.

In addition to the import duty of taels 30 on each chest of opium, a war tax of 38 Hai-kwan taels is also levied, which is supposed to cover all other payments in the province. At Huai-kwan however, where the chief official is a Superintendent of Customs, appointed directly by the throne, a further tax of Hai-kuan taels 128 is levied, making a total of Haikuan taels 196, or nearly $300 charged on every chest. It was suspected last summer that an attempt was being made to impose extra taxes, in an underhand way, on opium sold by foreigners, as although the native dealers were doing a large business, foreign merchants were unable to sell a single chest. The Taotai put a stop to this state of affairs when the case was represented to him.

NATIVE BANKS.—It may be of interest to state that there are in Chinkiang 27 native Banks, with capitals varying from Taels 5,000 to Taels 20,000. Many of the larger Banks, however, hold deposits to the amount of from Tls. 60,000 to Tls. 100,000.

GENERAL REMARKS.—With regard to the general condition of Chinkiang, I may state that its improvement is most encouraging. In 1862 after the departure of the rebels, Mr. Adkins gave the following description of the place. "The "present condition of this Port is me-"lancholy indeed, nor do I see any signs "of returning vitality. The number of "inhabitants has not increased. One "very inferior street, and a most squalid "suburb still constitute Chinkiang." At present, in the "squalid suburb" are

many handsome and flourishing hongs and good shops, and the busy appearance of the street, and of the creek that runs along the suburb, give ample proof that a large traffic is being carried on. Inside the city too, there is much improvement, although but little trade is carried on within the walls. The country round about is no longer the desolate wilderness it was 2 or 3 years ago. Nearly all the low ground that was laid waste by the Taipings is again brought under cultivation, and small villages are seen springing up in every direction. The cities and towns in the neighbourhood also shew signs of progress, with the exception of Hsien-nü-miao 仙女廟 a town some 20 miles from this, which was visited by the Nienfei rebels last spring. These rebels made an incursion into this district, and came within a few miles of Chinkiang on the north bank, causing a temporary cessation of trade.

Nor is it the Chinese merchants alone who derive profit from this improved state of affairs. Mr. Consul Harvey, in his report on the trade of Chinkiang in 1865, stated that nine-tenths of the whole trade of the Port was in the hands of native dealers, but I am assured, now, that at least one-fifth of the whole trade,* valued at over Taels 1,500,000, is, at present, in the hands of foreigners, which is a large proportion, considering that there are but 2 English and 1 American merchants in Chinkiang.

Such is the existing state of trade at this place, in its present condition, as a port of Import and depôt of foreign goods, for a large tract of country. I will now make a few remarks on the future prospects of Chinkiang as a port of Export.

In April 1867, an attempt was made to bring tea to this place from the Ngankin green tea districts, but the speculation resulted in a loss, since which time no further attempt has been made to bring this article to Chinkiang, and I fear there is but little chance of this place ever becoming a port of Export for tea.

The trade in Silk piece goods is capable of being fostered and increased to a considerable extent, as in addition to the 300 looms at work in Chinkiang, it is known that there are more than 2,000 in Nanking, and, probably, a proportionately large number in all the towns in the neighbourhood.

But, it is from the minerals of the district that the future prosperity of Chinkiang is to be derived. It is now ascertained that the whole country, between this and Nanking, abounds in coal and iron. Plumbago has also been discovered in large quantities, as well as antimony. But all these sources of wealth to natives and foreigners alike, and of revenue to the Government, are prohibited, on account of the timid and retrogressive policy of the authorities. The mines could be opened in uncultivated spots without detriment to the agriculture of the place, and without any desecration of graves. But all these advantages have failed to impress the Chinese wi'h the benefits the opening of the mines would confer on all classes. It is to be hoped that this state of affairs will be remedied at the approaching revision of the Treaty.

To summarise this Report briefly.—We have every reason to be contented with the progress Chinkiang has made during the past year, as a port of Import and a depôt for inland marts; but it is access to the mineral wealth of this district that is required to raise Chinkiang to the position to which it is entitled, from its situation in the heart of what ought to be the "Black Country" of China.

In conclusion, I have to thank Mr. Kopsch, the Commissioner of Customs, for allowing me access to the Customs Statistics, and to Mr. Canny, merchant of this Port, for affording me much valuable information.

CLEMENT F. R. ALLEN,
Assistant in Charge.

* Or nearly ⅕ the trade in foreign Imports.

NINGPO.

Shipping.

On referring to the return of vessels cleared outwards under Foreign Flags, it will be seen that there was a total increase in the past year over 1867 of 33,570 tons. The proportion of tonnage to each Flag was as follows, compared with the previous year.

British, 1868	39,720	Tons.
Do. 1867	71,005	„
Decrease in 1868	31,285	„
American, 1868	150,196	„
Do. 1867	77,163	„
Increase in 1868	73,033	„
Danish in 1868	196	„
Do. 1867	739	„
Decrease in 1868	543	„
French in 1868	451	„
Do. 1867	1,080	„
Decrease in 1868	629	„
Belgian in 1868	603	„
Do. 1867	316	„
Increase in 1868	287	„
Russian in 1868	247	„
Dutch in 1868	177	„
N.-German in 1868	11,088	„
Do. 1867	16,006	„
Decrease in 1868	4,918	„
Norwegian in 1868	1,017	„
Siamese in 1868	4,673	„
Do. 1867	8,642	„
Decrease in 1868	3.949	„
Japanese in 1868	321	„
Chinese Lorchas 1868	7,816	„
Do. 1867	8,604	„
Decrease in 1868	788	„

The preponderance of tonnage under the American Flag is attributable to the fact that the large steamers running regularly between this port and Shanghai have been almost entirely under that Flag, but these steamers belong to the S. S. N. Company, and that Company's shareholders comprise all nationalities.

The decrease of tonnage under the British Flag, is in like manner attributable to the fact that only one of the S. S. N. Company's steamers under that flag was on the line for a brief period.

The steady decrease in the tonnage under the North German Flag appears to indicate that the large carrying trade hitherto enjoyed by that class of vessels, is being transferred to other bottoms, probably the S. S. N. Co.'s steamers, as this company affords great facilities to natives; and many influential Chinese hold shares in it.

IMPORTS.

The Import table shows a decrease upon the trade of the previous year, of Tls. 201,706, but on examination it will be seen that the deficit is confined to Chinese produce, forming only an unimportant item in the carrying trade, so far as foreign countries are concerned.

Cottons.—The same satisfactory advance in the import of Foreign Cotton and Woollen fabrics, is to be observed this year as last; the estimated value of cotton goods brought to this market in 1867 was Tls. 1,001,490, whilst in the last year it is set down at Tls. 1,058,487 or an increase of Tls. 56,997.

Woollens.—In Woollens the increase is still more marked, the value given in 1867 is Tls. 175,481 whilst in 1868 the estimated value was Tls. 257,532 or an increase of Tls. 82,051. These figures, I think, clearly show that the hope I expressed in my last year's Report, that Foreign Cotton and Woollen fabrics will be brought into far more extended use as they become better known to the inhabitants of the Interior.

Rice.—The uncertainty in the annual Imports of Rice is still observable. In 1866 the quantity imported was 145,014 piculs, in 1867 299,843 piculs, whilst in last year it fell again to 221,517 piculs. As in former years, the supplies came almost exclusively from Siam and the Straits; it has sold cheaper at Ningpo during the past year than for a long period, and I believe did not pay the Importers.

Metals.—Continue to form a very important item in the Import Trade. The export of Iron in 1867 was valued at Tls. 28,971, last year at Tls. 78,497 or an increase of Tls. 49,526. Tin also, which was estimated at Tls. 397,242 in 1867, stands last year at Tls. 466,161, or an increase of Tls. 68,919.

Opium.—There is an apparent decrease in the estimated value of this drug last year, of Tls. 157,612, but it still continues to form by far the principal item of the Imports. In 1867 the estimated value was Tls. 2,354,879, and in 1868 Tls. 2,197,261.

EXPORTS.

Tea—Green.—The result of the last year's transactions exhibits a continued

improvement upon those of former years, both as regards growers and consumers.

			piculs	taels
In 1866	was	exported	162,782	= 4,000,000
1867	Do.		115,268	= 4,034,380
1868	Do.		123,786	= 3,837,373

showing a steady increase in quantity, and proportioned decrease in cost; and indicating, I think, that if purchasers did not display so much anxiety to buy, and paid more attention to quality, their requirements could be met at a far lower price than has prevailed during the past few years; and an improvement in the quality of the Tea would soon be apparent. Nearly all the Teas from the Fychow and Pingshuy districts now find their way to this Port, and are shipped hence to Shanghai by steamer.

In the Trade Returns of Shanghai these Teas form an important item, as shown in the Commissioner of Customs' Report of 1866. In that Report the late Mr. Fitzroy states that of the total 499.472 piculs, exported in 1866, Shanghai received from Ningpo 102.172 piculs.

Hankow, 229.499 ditto.

Kiukiang 163.770 ditto.

having contributed as direct Export itself only piculs 3.644!

As I have already stated in a previous Report, (1864), in 1859 only about 1,600 piculs of tea valued at $30,000 were exported from Ningpo; in 1860, owning to the communication between the Green Tea districts and Shanghai being cut off by the rebels, several of the Shanghai firms opened establishments at this Port, for the purpose of attending to this branch of their business; and the facility with which the Tea leaf was brought from the producing districts, and manipulated for exportation within the foreign settlement, attracted so much attention, that the importance the business then acquired has continued to remain by it. This result is no doubt in a great measure attributable to the greater facilities afforded by the direct, although difficult, water communication between the Tea districts and this Port, and the easy transhipment of the produce hence to Shanghai, by the fine line of steamers running regularly between the two Ports; whereas the hilly inland routes to other outlets, although shorter, must be more troublesome and expensive.

The Inland Taxes upon Tea, from their starting point until their arrival at Ningpo, continued to be levied, but the exorbitant prices the native dealers have been getting for their produce from foreigners, during the past few years, apparently render them indifferent to these imposts; at all events no definite complaints reach the Consuls with respect to them, the fact being, I believe, that the competition between the foreign merchants to get hold of the Teas before they reach the Port, is so great, that much heavier burthens would be submitted to rather than the chance of a profitable speculation should be lost. The consequence is that the native Tea Merchant and the Tax Collector have it pretty much their own way, and whilst the prevailing mania lasts, it is not easy to see a remedy for the existing state of things, however objectionable it may be.

Silk.—The Export of this valuable product in 1866, was 1,039 piculs; in 1867, of raw and manufactured was exported 1,167 piculs, valued at Tls. 463,895; last year 1,709 piculs valued at Tls. 654,412; but the bulk of the silk produced in the province of Che-kiang will necessarily find its way to Shanghai direct from the growing districts, owing to the greater advantages enjoyed by that route, and the fact that Shanghai is its legitimate destination or market.

Cotton.—Judging by the Returns, would be as an article of Export from Ningpo, only second to Tea, but as regards foreign interests its importance is confined at present to its carriage, nearly all the raw cotton shipped hence being re-distributed in the country where the staple is not grown. The impetus given to its cultivation by the civil war in America has pretty well died out, not without, however, permanently raising the price on the native consumer. The Export last year was 44,155 piculs, valued at Tls. 749,646 against piculs 74,643 at Tls. 1,075,773 in in 1867.

Medicine.—Another important item in the Carrying Trade is Native Medicine, estimated last year at 30,229 piculs, and valued at Taels 239,559.

Cuttle Fish, Straw Mats, Tobacco-leaf, Ground Nuts, Nankins, Brass ware, and articles belonging to what is termed Coast Trade, make up the balance of the Exports, bnt these I conceive are chiefly interesting rather to the Foreign shipowner than the General Merchant, and they are of too diversified a character to be more particularly dwelt upon in a brief Report.

Duties and Tonnage Dues.

Whatever may have been the outturn of trade to the merchants and shipowners engaged therein, there is no doubt as to the growing advantage accruing to the Imperial Revenue from it, the result being for 1868, Haikwan taels 567.908, against Tls. 452.601 in 1867, or an increase of Tls. 115.307 or nearly 25 per cent in a single year!

Transit Passes.

A good deal has been written of late with respect to merchandize sent into the Interior and brought to the port under these passes. So far as my own experience goes, the provisions contained in article X. of the treaty of Nanking, art. XXVIII. of the treaty of Tientsin, and Rule 7 of the Regulations attached to the latter, adequately cover all that was intended by the treaties, if their stipulations were honestly acted upon by the merchants and local authorities; but this has not been the case, and no doubt the sooner the system is revised and placed on a clearer basis, the better; and

as the subject is already receiving full consideration, the abuses which have crept into the system of Transit Passes will no doubt soon be rectified to the satisfaction of all concerned.

In conclusion, it is gratifying to be able to state that the Province again enjoyed profound tranquility during the year ; and that it is fast recovering from the wretched condition to which it was reduced during the rebel occupation of the principal cities and towns.

The writer has recently visited the important cities of Yu-yow, Shaou-shing, Seaou-shan, and Hangchow the capital of the province, and found them all, with the exception of the last, nearly rebuilt and full of bustle. Hangchow is also showing marked signs of resuscitation, but the destruction committed here by the rebels was so enormous, that a long time will be required to re-establish it in even a tithe of its former grandeur and opulence. Nearly two thirds of the whole city, and all the suburbs, includ- the borders of the once magnificent lake, are still a heap of ruins, and altogether it is melancholy to see the condition to which this once reputed earthly paradise has been reduced by the ruthless acts of the Taepings.

The inhabitants of the province still continue to deserve their reputation for civility, and travelling in the interior is perfectly safe and untrammelled.

The authorities also exhibit the same friendly disposition to maintain peace and order as mentioned in former Reports.

British Consulate,
Ningpo, 4th March, 1869.

W. H. FITTOCK,
Consul.

FOOCHOW.

ANNUAL REPORT.

Although the state of commerce has continued much depressed during the year 1868, yet a marked improvement on 1867 is very observable; and it may be hoped that we are at last emerging from the gloom cast over business by the disastrous and unparalleled crisis of 1866.

The importation of Foreign goods has increased during the year, and this improvement will no doubt continue to develope as the cotton trade in America and England becomes more firmly re-established on a solid and firm basis.

A glance at the Table of Imports, will be convincing that in almost every grade of cotton and woollen manufactures, there is a satisfactory increase in the local consumption of these articles, as compared with the Return of 1867.

The same remarks apply with equal force to metals of British production, such as Iron Rod and Lead, the former for nail-making, and the latter for linings of tea chests in the tea growing districts.

This condition of things augurs well of the increasing growth in wealth and prosperity of the native population, which wealth it may be observed, in passing, accrues chiefly from the large profits on the tea sold for exportation.

There has been considerable fluctuation in the prices of cotton goods, such as Grey Shirtings and *T*-Cloths,—the stuffs most in demand,—the price varying for the former 8.4-lbs. from $3.20 to $3.25 per piece in June, and $2.90 to $2.80 by the end of the year; and for the latter *T*-Cloths, from $2.70 to about $2.30 per piece.

The sale of these commodities can never be very extensive in this Province, so long as the Lekin exactions or war-taxes remain in force at the numerous inland barriers; indeed, it may almost be said that British manufactures do not reach beyond the adjacent districts, excepting in exceedingly small quantities, owing to the above named circumstance. Moreover, the Nankeen stuffs of native manufacture, of which a large supply finds its way into this port annually, from Shanghai and Tientsin, compete advantageously with British cottons. They are generally preferred by the working classes, who are the cotton wearing population, on account of the stronger and warmer texture of the Nankeens and their greater durability. On this head, a great deal has already been said in former Reports, and it is needless to go farther into the subject.

The wealthy classes use the white kinds of Shirtings during the summer months; more for the show they make and their thin and cool texture, but of these their consumption can but be small, since, as a high Mandarin only recently told me, people of his class changed linen only once in ten or twelve days. He was rather cleaner than the ordinary run of Mandarins, many of whom seldom enjoy a change of underclothing more than once, perhaps, in the winter, and not more than once every three weeks during summer. I deplored this state of things and expressed a sanguine hope that I should see all classes of society take to wearing British cotton cloths, in preference to silken underclothing; which when soiled could not easily be washed clean.

Neither do the Chinese use sheets for their bedding, but cover themselves with thickly wadded counterpanes made of Silk or Nankeen cotton cloth.

But a large quantity of English cotton stuff must annually be consumed at their funerals, the mourning colour being white and the garments cotton; also for tents and so forth.

However, the trade in cotton and woollen goods is considered by the Foreign merchant of such slight importance at Foochow, that few, if any of our British firms trouble themselves with importing goods of this description to this place; this branch of business is left to the Chinese traders, who prefer supplying themselves piecemeal from Hongkong, the great depôt in the south. They there select through agents, on the spot, the goods in the quantities and of the shades which they think will best suit the Foochow market, and they contrive to lay them down cheaper in Foochow than the Foreign firms could possibly do.

It must be admitted that Foochow, as a port of trade, has, of itself, no direct import connection with England or any outside countries; the import business is purely local, between Foochow and Hongkong in the south, and between Foochow and Shanghai, the other great depôt, in the north, the former for British goods, the latter for the exchange of Chinese produce; the coasting steamers, all British, doing the work for the Chinese of carrying their cargoes to and from between Foochow and the northern and southern depôts.

With this branch of the trade, British merchants have no further concern than the collecting of the freights on the cargoes, the Chinese employing native consignees and agents at the two end ports. In short, it is the carrying trade that used to be done in junks, which for a few years has been gradually passing into foreign vessels; the amount of this trade is likely to go on increasing, unless the Chinese Government should determine to permit its subjects to build and own foreign rigged vessels and steamers, as already hinted at in a former Annual Report. The innovation is quite certain to bring about a complete resolution in the commercial relations between Great Britain and

China, and it only wants the encouragement of the Government to come into full operation; there being no lack of individual enterprise and energy, nor capital, on the part of the Chinese trader, to extend the trade on a very wide scale.

The importation of lead and opium on the one hand, and the exportation of Tea on the other, compose the whole trade of the foreign merchant at Foochow.

Lead is despatched up-country to the Tea districts to be made into linings of Tea chests.

Opium is mainly for local consumption. The consumption has very much fallen off of late years, owing to oppressive taxes and the near neighbourhood of markets for the drug, where the tax is lighter than at Foochow.

For a port of the importance of Foochow-foo, 400 chests per month, which is the average consumption in 1868, may be considered small. The drug undoubtedly finds its way into the province through some other channels of trade, and the quantity imported at Foochow can serve only for the consumption of the city, the suburbs and the adjacent country.

With regard to lead, during the busy portion of the year, there was a scarcity of the article; the demand for it forcing the price up as high as from $11 to $12 against Tea, at the height of the Tea season. The prices however speedily declined to about $8 per picul.

As regards the other import—opium, there was imported in 1868, as follows:—Patna, 1,257 chests. Benares, 401 chests. Malwa, 2,588 do. Persian, 557 do.

The average price from January to June for Patna was $739 per chest, for Benares $728, for Malwa $749 per picul and for Persian drug $669 per picul; and from July to December, for Patna $701 per chest, for Benares $683 per chests, for Malwa $712 per picul, and for Persian $604 per picul.

The trade throughout the year has barely been a profitable one, but values have been tolerably low and steady, and have not shown those heavy fluctuations which generally rule in this article.

As already noticed, the importation has again fallen off, and may be accounted for, in a great measure, by the oppressively high taxes, and some smuggling, especially by junks. The great difference however in the importation of this article now, as compared with former years, is no doubt owing to many markets being supplied through other channels, which used, during the rebellion, to draw a portion of the drug from Foochow.

Patna and Benares is consumed in Foochow and along the coast, whilst up country the demand is mostly for Malwa.

Opium is usually sold on cash terms, although credit is also usually taken. The exception is generally when the new season's Tea-crop is approaching, and then a fair quantity is disposed of to send into the country, for which the returns are not expected until the market opens here; this, of course, is taken into consideration in the price.

The sales during 1867 as compared with 1868 are as follows:—

	1867.	1868.
Patna	1,628 chests.	1,259 chests.
Benares	651 ,,	516 ,,
Malwa	2,465 ,,	2,569 ,,
Persian	295 ,,	504 ,,
Total...	5,039 chests.	4,848 chests.

The Taxes levied on drug are, at present, as follows:—

On Malwa and Persian:

	Per Picul.
Import duty Tls. 30 & 10 %	Tls. 33.00
Chinese duty and meltage fee	,, 41.40
* Peaou-shwing, with meltage fee ...	,, 17.60
Lekin (war) tax and meltage fee	,, 24.20
Fee on each chest	,, 1.44
Per Picul. Total—	Tls. 117.64

On Patna and Benares:

	Per Chest.
Import duty Tls. 30 & 10 %	Tls. 33.00
Chinese duty and meltage fee	,, 49.68
* Peaou-shwing and do.	,, 21.12
Lekin (war) tax and do.	,, 29.04
Fee per chest	,, 1.44
Per Chest. Total—	Tls. 134.28

* To meet expenses of building naval steamers, &c.

There are several trifling taxes in addition, levied in the county.

As may be inferred from the observations that precede on the subject of Imports, nearly all the remainder of the goods imported—such as beancake, nankeens, peas, sugar, paper, wheat, tobacco, &c., purely Chinese cargo of native production and manufacture—are the property of native traders, who employ foreign vessels to carry it North and South, on account of the greater security and speed in foreign bottoms, and of the advantage of Marine Insurance.

There has been, with the exception of peas, an apparent decrease in nearly every article of Chinese imports, and in nankeens a very remarkable one, as compared with 1867. There is, however, abundant proof that the importation of nankeens from the Northern provinces, checked, if not entirely destroyed for a time by the American war, and the consequent demand in Shanghai for raw cotton for shipment to England, has been resumed during 1867 and 1868; and although the quantity imported in foreign vessels has fallen off during the latter year, in comparison with the former, it is possible that the total importation has increased; more having been brought in native craft, of which no account is kept in the foreign Customs' returns.

Passing to the Exports, they will be found to be of precisely the same denomination as the Exports of last year. No new article has been discovered to vary the nomenclature of the articles for exportation. Still the experiment of rearing the silk-worm in this district, for the production of raw silk, having partially answered the anticipations of the local government, it may be expected

that with a continuance of the encouragement that is extended by the government to this new branch of industry, raw silk may, in the space of ten or twelve years, according to the calculations of the promoters of the scheme, take its place among the articles of exportation from Foochow, and become a fruitful source of wealth. The quantity now produced is so very small as barely to suffice for the domestic wants.

Tea holds the first rank among the exports of Foochow. It is, in short, the only article which the foreign merchant exports on his own account. Tea alone employed 64 British ships of 42,107 tons to convey it to the London market, without counting large shipments of tea to the Colonies and America. The trade of Foochow would indeed be insignificant without the annual large exportation of tea, which places it in the foremost rank.

The following figures will clearly show how largely the supply of Tea has increased during the present season, compared with the previous one :—

	1868.	1867.
Congou and Souchong	739,400 chests.	575,000 chests.
Oolong	198,900 ½ do.	189,400 ½ do.
Pekoe	5,100 chests.	4,500 chests.
Green Tea	3,300 ½ do.	8,300 ½ do.
Scented Tea	134,600 boxes.	123,400 boxes.

or

	1868.	1867.
Congou and Souchong	70,244,200 lbs.	55,813,800 lbs.
Ooloong	7,359,100 ,,	7,007,800 ,,
Pekoe	247,000 ,,	216,000 ,,
Green Tea	165,100 ,,	413,600 ,,
Scented Tea	2,422,600 ,,	2,221,200 ,,
	80,438,000 lbs.	65,672,400 lbs.

or nearly 25 per cent., and in excess of any previous year.

It must be considered a very cheering sign for the trade of Foochow-foo, that the largely increased consumption of Tea (which during the previous two years had considerably exceeded the supply) has at length been overtaken by the production.

The sales of old Tea (season 1867-1868) in January and February, may be stated as follows :—

Congou	30,700 chests.
Souchong	1,100 do.
Oolongs	34,900 half-chests.
Flowery Pekoe	...
Scented Teas	1,000 boxes.
Green Teas	...

The unsold stock remaining was exceedingly small, and was probably taken to "floor" the clippers—*id est*, to form the layer of Teas next above ballast in preparation for the new Teas.

The larger proportion of the cargo stored ready for shipment on board the *Juno* for Australia, was destroyed by fire, in godowns on shore, on the night of the 8th February; it was insured to their value—say about $50,000.

The Teas which were shipped to the United Kingdom towards the close of the year 1867 paying a fair profit, and as they were arriving about March or April, when merchants in England prepare their instructions to their agents in China, the orders which arrived in Foochow in May and June for the new Teas then coming forward, were more numerous and liberal than they otherwise would have been. This will account for the mad rush into the market, on its being opened on the 22nd of May. To watch the eagerness of the foreign buyer, one might be led to conjecture that China had all but exhausted its productive powers, and that there would not be sufficient tea left in the market to satisfy the foreign demand. A fatal mistake! There is little doubt that the tea growing districts of China can produce a quantity of tea suitable to the foreign requirements practically unlimited; more than enough to meet the demads twice over of our impetuous merchants; it is a fact that the tea growers now make a rule of keeping back an overplus of some 100 or 150 chests of the old tea, each year, which they mix up with new season's teas, being quite sure of being able to palm it off as new tea on the foreign buyer, who does not wait to enquire very narrowly, so great is his avidity to buy and ship off; this seeming to be his chief object. This has been the origin of very heavy losses this year in the tea trade. The fever of speculation is at the bottom of the whole evil. It would indeed be a real delight to see the trade again put upon the old system of past years, when a genuine and a healthy business was done with returns safe and profits sure. At present, at Foochow as elsewhere, the market is governed, to a large extent, by the speculator in London who sends out orders without limit to purchase, the only condition being that the agent shall contrive to lay down the teas the first in the market at home.

The year 1868 in particular will long be remembered as one of the most disastrous in tea speculations, the losses arising in almost every case from too hasty operations. The new teas of 1868 began to arrive about the middle of May, and the market was opened on the 22nd of that month by special agents. Great expectations were held out of the superiority of the forthcoming crop over that of 1867, but they failed to be realized. Of sixty-eight to seventy thousand chests which had then arrived, there was hardly a chop equal to last season's teas, whilst nearly all were largely inferior, arising from the great quantity of old leaf mixed with it. The sales of Congous on the day of the opening of the market reached about 30,000 chests, from taels 25 to taels 35 (£ 8.6.8 to £ 11.13.4) per picul, of 133⅓ lbs. being, quality considered, from Tls. 2 to Tls. 5 (£0.13s. 4d. to £ 1.13s. 4d.) per picul, in advance of rates paid in 1867, the better grades showing the largest difference. During the first ten days after the opening of the market, the number of settlements was perfectly amazing

and wholly unexpected; the supplies came forward in an unprecedentedly rapid manner, and more than kept pace with the business done. In Congous, prices after reaching Tls. 44½ (£ 14.16.8) per picul, henceforth ruled without change to a decline on opening rates, and again fell considerably in the first week of June, on all but common kinds.

The true Sinchune Kiai teas still appear to go principally to Kewkiang, as again very few have made their appearance in Foochow this year.

The market for Souchongs opened on the 16th of June by the settlement of 3 chops at from taels 41 to taels 43½ (£13.13.4 to £14.10) per picul, but the crop not being considered a good one, only a small business was done in these kinds. Oolongs, Flowery Pekoes and scented Teas were throughout equal to last years' produce; and commanded very full prices. As much as taels 60 (£20) per picul is reported to have been paid for a parcel of Flowery Pekoes in Foochow.

The larger portion of Teas this year were purchased almost immediately upon arrival, and were generally shipped to the United Kingdom. The excess of purchases of 1868, over the quantity bought in 1867 had the following natural effects:

1st—Strengthening the rates of freights.

2nd—Sending up the exchange; and

3rd—Heavy losses to purchasers.

In short, a very large portion of the business in Tea, of the whole year, was done within the first six weeks after the opening of the market, and never before was there so much avidity to purchase and ship off to England.

Unfortunately, the Tea was badly prepared, and was more or less mixed with old leaf and unusually large proportions of dust, damaging to a certain extent the new Teas. Many chops were simply old tea, sometimes refired over a few new leaves to give a temporary aroma.

Prices have ruled as under:—

Congou dust and broken leaf about	Tls.	6 to 14	pr. pcs.
Congou common to fair	,,	14 to 20	,,
,, Good	,,	20 to 30	,,
,, Fine and finest	,,	30 to 40	,,
,, Exceptional	,,	40 to 45	,,
Souchong common to medium	,,	14 to 22	,,
Souchong good to finest	,,	24 to 40	,,
Oolongs chiefly to America)	,,	12 to 40	,,
Flowery Pekoe common to medium	,,	18 to 28	,,
Flowery Pekoe good, fine and finest	,,	30 to 60	,,
Scented Teas—dust	,,	5 to 7	,,
,, common to medium	,,	14 to 20	,,
,, good fine and finest	,,	22 to 39	,,

Dust still continues to pay the full export duty the same as tea leaf, but it has been reduced to half when exported from one Chinese port to another.

The merchants have at last awakened to the necessity of providing a remedy for the injury which is done them through the dishonest dealings of the native tea-growers, and to which they are inclined solely to attribute the recent losses in the trade. They have drawn up a memorandum of their grievances against the native teamen, in which the causes of complaint are set forth as follows:—

1st—The mixing of old leaf with new season's Tea. They complain that these mixed Teas arrive in England without any of the characteristics of new Tea, and are rejected by the buyers there.

2nd—The excessive quantity of dust in Teas as well as the mixing therewith of dust not belonging to the chop.

3rd.—The insufficient leads used in packing. They contend that the teas in consequence arrive at their destination without freshness and frequently out of condition.

And a notice in Chinese has been issued by the body of the Merchants to the native growers and dealers, calling upon them to desist from these mal-practices, while the British and American Consuls have obtained from the Chinese Authorities the issue of a Government Proclamation, which has been posted throughout the Tea growing districts, cautioning the dealers in Tea against a continuance of their fraudulent proceedings, and recommending strict honesty and good faith. Hopeful results are anticipated from these combined efforts by the coming season of 1869. It is, however, to be feared that the native dealers will be tempted to badly pack and prepare their Teas for the sake of hurrying them off their hands, so long as they observe the eagerness of the foreign buyer to possess himself of the produce. And the price of the article is certain to remain at a high figure so long as the merchants bid one against the other in a rash and almost reckless manner. The easy terms on which money is procured from the numerous foreign Banks, is another incentive to speculation that is rather damaging to the trade.

Next to Tea, there are no exports left but those articles of native production, such as Bamboo shoots, Fish, Artificial flowers, Fruit, Medicines, Oranges, Olives, Paper, Timber, Tobacco and so forth, the property of Chinese Traders which for centuries has constituted the coasting trade in native Junks, but which has now found its way into foreign vessels. In this, not any more than in the local Import trade, has the foreign merchant the least concern, further than to collect the freights upon the cargoes. Much of the coasting trade has already passed into foreign bottoms, chiefly British, and a few German vessels, and it will go on increasing until the natives become owners of square rigged vessels and foreign vessels. It may possibly become a profitable speculation to bring out steamers of small draught of water for sale to the Chinese, under the new regulations which are expected to come into force during the year 1869.

British vessels adapted to the trade, (*id est* vessels built with an iron frame, planked) have found good employment on the coast, and generally at remunerative

rates. At one time freights were so low that they could hardly have done more than pay the current expenses of the ships; but the demand for tonnage for New York coming in shortly after, took off the overplus of tonnage at remunerative rates, and the number of vessels that were compelled to accept low figures was thus considerably reduced.

The fleet of clipper ships at the beginning of the Tea season, end of May, were despatched at £4.10 per ton of 50 cubit feet, but there being a scarcity of shipping, for a while the rate went up, and several vessels chartered at Hongkong at £4.5 to £4.10 arrived at Foochow to load at £5.10 and £6; but these high rates induced so many ships to come to the Port that, the rate was speedily reduced to £3 per ton, and in one instance to £2.10, and though it afterwards touched £4, the average has since been the low rate of £2.10 to £3 per ton. The rate paid for the steamer "Achilles" was £6.6 per ton of 40 cubic feet.

Between the 28th of May and the 4th of June ten tea clippers left the anchorage, having on board 10,339,784 lbs. of Tea for London; the "Sir Lancelot," "Ariel" and "Taiping" being the first to get away. For week after week up till the end of September, tea laden ships have been leaving for London and the Colonies; giving great activity to the Harbour.

Exchange on London at 6 months usance was, in January, nominally 4s. 4d. to 4s. 4½d. per dollar. In May, previous to the opening of the Tea market, it reached 4s. 5½d. per dollar. And it went on rapidly rising in consequence of the heavy settlements, and early in July it was quoted 4s. 9½d. to 4s. 9½d. By the middle of that month, however, it was down to 4s. 7½d., and to 4s. 7d. by the first of August; governed throughout by the operations in the Tea market. After the excitement was over, exchange began gradually to decline, and by the 31st of December it came down to 4s. 5d. per dollar. The amount of Treasure imported during the year reached $9,282,791 at 4s. 6d.—£2,088,627 19s. 6d. against exported $304,101 at 4s. 6d.—£68,422 14s. 6d. leaving a very large difference towards making up the payments for Tea and the balance of trade. During 1868 we have had five European Banks in full operation, namely,—The Oriental Bank Corporation. The Chartered Mercantile Bank of India, London and China. The Hongkong and Shanghai Bank. The Comptoir d'Escompte, and the Chartered Bank of London, China and Australia. The two last named Banks withdrew from the Port after the termination of the Tea season, having only come to operate while the Tea market was open.

The Oriental Bank Corporation is entrusted by the Government with the receipts from the foreign Custom House.

The revenue from this source in 1868 amounted to Taels 1,819,100.3.7.7 at 6s. 8d.—£606,366 15s.10d. against Taels 1,712,429.9.7.4 at 6s. 8d.—£570,809 19s. 9d. in 1867.

From this branch of the revenue is deducted a fifth towards the expenditure of the Government arsenal and dockyards established at the anchorage. The monthly expenditure of the Arsenal is estimated at Tls. 50,000, equal to £200,000 per annum; the European element costing near Tls. 6,000 or £2,000 per month all told.

It is expected that next April the first gunboat will be launched from this Dockyard, She is to cost taels 100,000 or £33,333 inclusive of the machinery and four 32-pounders of English manufacture.

The vessel is to be commanded and engineered by Chinese, who are going through a course of naval instruction under an English Instructor.

Custom house offices are in course o construction at the Pagoda anchorage, for the convenience of the shipping. For the same purpose has a British Vice-Consul been placed at the anchorage, who is thus at hand to render assistance to the shipmasters in maintaining discipline in the harbour.

The new set of Pilot Regulations has come into active operation under the supervision of a Harbour master. And in a short time it is anticipated that the entrance to the river Min will be properly buoyed and lighted, steps having already been taken for attaining this much desired end.

Following the commercial disasters of 1866, a few British firms were necessitated to close their business and retire from the port; others have established themselves in their stead, and new and extensive places of business are being erected on the site of a large fire in the month of February; which has cleared a large space for enlarging the foreign settlement.

The class of people called literati and retired officials who, everywhere in China, occupy an influential position, have shown their usual animosity to foreign settlers, and are ever ready to retard their advancement in this country.

In conclusion, it may safely be predicted that Foochow is destined to remain the foremost port for the exportation of Tea, and that it will in time also become a profitable mart for the consumption of Manchester goods.

CHAS. A. SINCLAIR,
Consul.

H. B. M. Consulate.
Foochow-foo 31st Dec., 1868.

RETURN No. 2.

RETURN of the QUANTITY and VALUE of MERCHANDISE IMPORTED into the PORT OF FOO-CHOW-FOO, in 292 British Vessels of 140,774 Tons, for the undermentioned places, during the year ending 31st December, 1868.

DESCRIPTION OF ARTICLES.	Quantities.	Whence Imported.	Estimated Value in Sterling @ $1—4s. 6d.		
			£	s.	d.
COTTON PIECE GOODS—					
Brocades	883 pieces	Hongkong	1,192	1	0
Chintzes	3,117 „	do.	2,454	10	6
American Drills	5,304 „	do.	7,160	8	0
Handkerchiefs	8,039 dozen	do.	2,170	7	0
Shirtings	74,218 pieces	do.	53,872	13	0
T-Cloths	121,921 „	do.	61,722	9	0
Turkey Red Cambrics	4,708 „	do.	3,442	14	6
Velvets	754 „	do.	1,526	17	0
Other Cotton Piece Goods	948 „	do.	1,071	9	0
WOOLLENS—					
Blankets	927½ pairs	do.	1,460	14	0
Bombazettes	829 pieces	do.	2,611	17	0
Broadcloth	665 „	do.	7,481	5	0
Camlets	5,150 „	do.	22,541	12	6
Lastings	1,360 „	do.	4,896	0	0
Long Ells	1,613 „	do.	4,355	2	0
Spanish Stripes	3,569 „	do.	17,654	3	6
Other Woollens	297 „	do.	1,574	6	6
Woollen and Cotton Mixtures	900 „	do.	1,822	10	0
Bean Cake	22,518.72 piculs	North China	12,666	12	0
Birds Nests	3.37 „	Hongkong	1,653	15	0
Biche de Mer	1,311.57 „	do.	6,585	6	0
Betel Leaf	1,307.32 „	Coast	2,081	18	6
Bones	213.82 „	do.	211	1	0
Coal	3,426 tons	Australia and Formosa	7,004	18	8
Cotton (Raw)	3,381.60 piculs	Shanghai	15,217	4	0
Cotton Yarn	225.19 „	Hongkong	2,533	5	6
Fish, dried and salted	5,058.80 „	Coast	9,657	0	0
Flour	2,280.28 „	do.	1,865	9	6
Fungus	905 19 „	do.	8,146	11	6
Ginseng	113.67 „	North China	9,158	8	0
Glass, Window	2,132 boxes	Hongkong	2,864	0	6
Grass Cloth	3,334.00 piculs	South China	244	11	6
Gypsum	1,380.00 „	North China	300	10	0
Hemp	2,734.38 „	Shanghai	7,382	14	0
Horns	1,883.79 „	Hongkong and Coast	5,390	11	0
Linen	168 pieces	Hongkong	510	15	0
Mats, Tea	1,589,150 „	South Ports	17,877	16	6
Medicines	4,338.63 piculs	Coast Ports	21,887	2	0
METALS—					
Iron Nails	363.48 piculs	Hongkong	490	10	0
Iron, Rod and Bar	5,900.67 „	do.	4,719	19	6
Lead	47,572.04 „	do.	90,967	19	0
Tin	3,495.20 „	do.	16,665	15	0
Yellow Metal	266.41 „	do.	1,498	10	0
Sundries	839.01 „	do.	1,613	1	6
Nankeens	13,416.64 „	Shanghai	241,499	9	6
OPIUM—					
Malwa	2,486.83 piculs	Hongkong	406,811	0	6
Patna	1,488.00 „	do.	199,485	0	0
Benares	453.60 „	do.	59,535	0	0
Persian	587.95 „	do.	81,622	0	0
Oil	3,140.00 „	Coast	6,860	9	0
Paints	794.00 „	do.	2,183	17	0
Paper, Tea	2,347.32 „	do.	15,844	10	0
Peas	11,624.98 „	North China	5,885	2	0
Pepper	1,669.44 „	South China	3,818	5	0
Rattans	3,957.18 „	do.	8,600	12	6
Rice	517.62 „	do.	326	5	0
Safflower	221.41 „	Shanghai	5,226	10	6
Carried forward	...	...	1,485,962	3	6

No. 2.—RETURN of the QUANTITY and VALUE of MERCHANDISE IMPORTED into the PORT OF FOO-CHOW-FOO, in 292 British Vessels of 140,774 Tons, from the undermentioned places, during the year ending 31st December, 1868.—*Continued.*

DESCRIPTION OF ARTICLES.	Quantities.	Whence Imported.	Estimated Value in Sterling @ $1—4s 6d.
			£ s. d.
Brought forward	...	...	1,485,962 3 6
Sapan and Sandal Wood	2,276.85 piculs	Hongkong	5,656 10 0
Seeds	1,897.74 „	Coast	1,941 10 6
Silk, Raw	31.34 „	Shanghai	3,260 9 0
Silk Piece Goods	222.34 „	do.	75,039 15 0
Silk and Cotton Mixtures	31.60 „	do.	3,555 0 0
Other Silk Manufactures	33.88 „	do.	6,001 4 0
Sugar	5,833.44 „	South China	5,924 14 0
Tea (for re-export)	2,571.24 „	do.	19,091 5 0
Tobacco	6,804.19 „	Coast	55,504 7 0
Wax	622.41 „	Shanghai	29,644 17 0
Wheat	17,121.50 „	Coast	11,556 18 0
Miscellaneous	.....	do.	75,228 8 0
TOTAL.....	...	... £	1,778,367 1 0

Total Imports in British Vessels for 1867	£	1,683,639	0 0
Increase for 1868	£	94,728	1 0
Treasure imported in 1868	£	2,069,288	0 0

CHAS. A. SINCLAIR,
Consul.

BRITISH CONSULATE,
Foo-chow-foo, 31st December, 1868.

RETURN No. 3.

RETURN of the QUANTITIES and VALUES of MERCHANDISE EXPORTED from FOO-CHOW-FOO, in 282 British Vssels of 133,667 Tons, to the undermentioned places, during the year ending 31st December 1868.

DESCRIPTION OF ARTICLES.	Quantities.	To what place exported.	Estimated Value in Sterling @ 4s. 6d. per $.
			£ s. d.
Bamboo Shoots	21,428.00 piculs	North China	24,208 6 6
Bamboo Ware	778.00 „	Hongkong and Coast ...	4,385 11 0
Fish, Salt and Shell Ware	1,923.88 „	do. ...	4,108 14 6
Flowers (dried)	455.94 „	do. ...	799 8 6
Fruits (dried)	913.83 „	do. ...	1,121 3 6
Loongngaus...	5,588.40 „	do. ...	15,113 4 0
Medicines.....	2,181.48 „	do. ...	2,209 10 0
Olives	4,437.13 „	do. ...	3,173 3 0
Oranges	10,327.63 „	do. ...	4,033 16 0
Opium (re-exports)	39.00 „	Formosa and Coast	5,938 0 0
Paper	21,349.86 „	North China	93,621 7 0
Preserves.....	2,107.73 „	do.	6,639 6 0
Rice	12,181.00 „	do.	8,722 11 0
Sugar Cane...	193,170 pieces	do.	585 0 0
Tea (abroad)	67,520,588 lbs.	England, Australia, and America	3,760,052 14 10
Tea (Coast Ports)	2,438,725 „	Hongkong and Coast ...	135,806 10 4
Timber	259,792 pieces	Shanghai	29,489 0 0
Tobacco	453.38 piculs	Formosa and Coast	1,632 17 0
Miscellaneous	.....	Coast	10,029 6 6
TOTAL.....	...	... £	4,111,669 9 8

Total Exports in British Vessels for 1867 .... £ 3,715,413 9 1

Increase in 1868 over 1867 .... £ 396,256 0 7

CHAS A. SINCLAIR,
Consul.

BRITISH CONSULATE,

Foo-chow-foo, 31st December, 1868.

RETURN No. 4.

A RETURN of the NUMBER and TONNAGE of BRITISH VESSELS arrived at and departed from the PORT OF FOO-CHOW-FOO, during the year ending 31st December 1868, distinguishing those employed Coastwise and in the Colonial, Homeward and Foreign Service.

COUNTRIES.	ARRIVALS.		DEPARTURES.	
	No. of Vessels.	Tonnage.	No. of Vessels.	Tonnage.
Coastwise	265	132,668	170	77,661
Great Britain	...	...	64	42,107
America	...	...	6	3,662
Colonies	7	2,135	29	8,452
Formosa	14	2,050	13	1,785
Japan...	5	3,122	...	...
Puget Sound	1	799	...	...
	292	140,774	282	133,667

CHAS A. SINCLAIR,
Consul.

BRITISH CONSULATE,

Foo-chow-foo, 31st December, 1868.

RETURN No. 5.

A RETURN of the QUANTITY of TEA EXPORTED in BRITISH and other FOREIGN VESSELS from the PORT OF FOO-CHOW-FOO, during the year ending 31st December 1868.

Flag.	No. of Vessels.	Tonnage.	Lbs. of Tea.	REMARKS.
				Exported 1867.
British	99	542,21	67,520,588	65,478,583 lbs.
North-German...	23	6,160	6,590,049	5,904,548 „
American	2	1,625	1,100,134	2,226,834 „
Other Foreign	9	2,635	2,659,575	
TOTAL.....	133	64,641	*77,870,346	73,609,965 lbs.

* Exclusive of 2,438,725 lbs. exported to Hongkong and Coast Ports.

CHAS. A. SINCLAIR,
Consul.

BRITISH CONSULATE,

Foo-chow-foo, 31st December, 1868.

AMOY.

The Returns for this year shew a very considerable falling off in Foreign Shipping and in the value of the trade conducted by means of it, as compared with the preceding year.

British Vessels shew a decrease of ninety-four vessels, and fifty-two thousand four hundred and forty-six tons in the entries.

In vessels under all other Foreign Flags there has been a decrease of sixteen vessels, and six thousand five hundred and seventeen tons in the entries.

The clearances under both classes shew a corresponding decrease.

In merchandize and treasure imported in British vessels, there has been a decrease, in round numbers, to the value of three hundred and ninety-four thousand pounds sterling; and merchandize and treasure exported in British vessels shew a falling off to the value of one hundred and ten thousand pounds sterling.

The Custom House receipts shew a falling off of about twenty-seven thousand pounds sterling.

The decrease in the trade carried on at this port is to be attributed in great part to the oppressive Inland Duties (called *Le-kin* duties) levied on merchandize at this port; and the falling off has been confidently predicted for some years past. But there is no reason to suppose that the trade of the *district* has fallen off. On the contrary, there are good grounds for believing that a valuable portion of the trade of the district, of which Amoy is the proper port, is carried on through neighbouring ports where the *Le-kin* duties are not levied, or where they are so much lighter that the difference allows a profit on the overland transport of merchandize to or from this district. If this heavy provincial impost were removed, or kept in fair proportion to the Import and Export duties, in accordance with the spirit of the Treaties, this irregular traffic would doubtless revert to its normal channel through this port; to the great benefit of the Imperial Revenue, as well as of all native and foreign merchants who are desirous of conducting the trade in a regular way.

Until the *Le-kin* duties are removed or greatly reduced in amount, there is no chance of the commerce of this port presenting any other features of sufficient interest to deserve mention in a Trade Report.

W. H. PEDDER,
H. B. M.'s Consul.

British Consulate,
Amoy, 31st December, 1868.

(A.)

1868.

DIRECT TRADE.

Imports and Exports.

General Imports, British and Foreign.	General Exports, British and Foreign,	Total, General Imports and Exports.	British Imports, as distinguished from Foreign.	British Exports, as distinguished from Foreign.	Total British Imports and Exports, as distinguished from Foreign.	Remarks.
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
1,086,309 0 0	129,107 0 0	1,215,416 0 0	957,776 0 0	88,432 0 0	1,046,208 0 0	

[2]

Treasure.

	£ s. d.		£ s. d.
Imported from Great Britain or British Colonies	68,194 0 0	Exported to Great Britain or British Colonies	251,881 0 0
Imported from other Foreign Countries	30,722 0 0	Exported to other Foreign Countries	—
Total Treasure Imported	£98,916 0 0	Total Treasure Exported	£ 251,881 0 0

Total Treasure Imported and Exported ... . £350,797 0s. 0d.

H. B. M. Consulate,
Amoy, 31st December, 1868.

W. H. PEDDER,
Consul.

1868.

INDIRECT TRADE.

(B.)

COAST OR RIVER TRADE.

Imports and Exports.

General Imports, in British and Foreign Vessels.	General Exports, in British and Foreign Vessels.	Total General Imports and Exports, in British and Foreign Vessels.	Imports in British Vessels, as distinguished from Foreign.	Exports in British Vessels, as distinguished from Foreign.	Total Imports and Exports in British Vessels, as distinguished from Foreign.	Remarks.
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
528,244 0 0	645,731 0 0	1,173,975 0 0	217,369 0 0	256,186 0 0	473,555 0 0	

Treasure.

	£ s. d.		£ s. d.
Imported in British Vessels	106,595 0 0	Exported in British Vessels	242,901 0 0
Imported in Foreign Vessels	200,671 0 0	Exported in Foreign Vessels	1,912 0 0
Total..... ....£	307,266 0 0	Total..... ....£	244,813 0 0

Total Treasure Imported and Exported in British and Foreign Vessels .... £ 552,079 0s. 0d.

H. B. M. Consulate,
Amoy, 31st December, 1868.

W. H. PEDDER,
Consul.

1868.

(C.)

SHIPPING RETURN.

BRITISH.

Entered.				Cleared.				Total Entered and Cleared.			
Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.
237	103,351	...	£ s. d. 1,175,145 0 0	237	103,366	...	£ s. d. 344,618 0 0	474	206,717	...	£ s. d. 1,519,763 0 0

FOREIGN.

Entered.				Cleared.				Total Entered and Cleared.			
Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.	Number of Vessels.	Tonnage.	Number of Crew.	Value of Cargo.
187	52,842	...	£ s. d. 439,408 0 0	180	49,991	...	£ s. d. 430,219 0 0	367	102,833	...	£ s. d. 869,627 0 0

Total British and Foreign Entered:—
Number of Vessels.....424
Tonnage 156,193
Number of Crew ..... —
Value of Cargo .....£1,614,553 0s. 0d.

Total British and Foreign Cleared:—
Number of Vessels.....417
Tonnage 153,357
Number of Crew ..... —
Value of Cargo .....£774,837 0s. 0d.

Total British and Foreign Entered and Cleared:—
Number of Vessels.....841
Tonnage 309,550
Number of Crew ..... —
Value of Cargo .....£2,389,390 0s. 0d.

H. B. M. Consutate,
Amoy, 31st December, 1868.

W. H. PEDDER,
Consul.

[4]

SWATOW.

There are two points of view from which to consider the Returns of Trade at this port, and it is necessary to distinguish between them to obtain a clear understanding of its nature and importance.

The one is, as showing the position of the port as a producing and consuming centre; and in this light the Returns fairly show its status.

The other, as showing the trade in foreign hands; and in this they are most fallacious, as although they truly enough show the amounts of exports and imports in foreign bottoms, they make no distinction between foreign and Chinese exporters and importers.

By the Returns, Swatow was last year seventh in importance of the ports open to foreign trade; but it would be much lower in the list, if the number of Europeans locally employed and the profits realized by them, were considered.

Nor is this to be wondered at, in view of the peculiar disadvantages under which foreigners here labour, from the proximity of the free port of Hongkong.

Were a system of bonded warehouses instituted, merchants established here might import their goods, and by putting the saving in charges, against the disadvantages of a more limited market, do so with some hope of success; but the necessity of paying the duties immediately on arrival of the goods, effectually prevents provision being made for more than immediate wants, and this can only be done through Hongkong.

The foreign merchants have, therefore, in great measure, sunk to the position of mere commission agents, and in this position their Chinese rivals are able to compete successfully with them.

Firstly, in having much better local information, which as natives of the place they are naturally able to obtain.

Secondly, in the far greater economy of their establishments.

Thirdly, in the protection afforded them by the combinations and monopolies existing.

And Fourthly, in the difficulty the foreigner experiences in obtaining due satisfaction of his just claims; the Chinese creditor being generally able to obtain settlement of debts owing to him through the Guilds or Mandarins—the foreigner rarely, if ever.

This last grievance is common to all Ports, more or less, but I have never found such great difficulty in obtaining from the Mandarins the justice they are bound by Treaty to render, as I have done here, owing to the slight authority exercised by them in the surrounding districts, in which their power is really scarcely more than nominal. In cases between Chinese, they can put on certain pressure by appearing as Arbitrators, and appealing to the sense of justice of the people, but when a foreigner is concerned the villagers among whom the debtor has taken refuge, are always convinced that their countryman is in the right, and there is no force existing to make them listen to reason.

Were the Central Government held responsible for debts, which the impotence of their subordinates renders impossible of recovery, and the amounts decided, by a Mixed Court or otherwise, to be justly due from solvent debtors, deducted from the duties, energetic steps might be taken by the Peking Government to reduce the country to a state of order; but without Imperial assistance the local authorities are unable to effect anything.

The other matters affecting the trade of the Port, in which it is to be hoped future years will see progress made, are:—The Foreign Custom House.—Communication with the interior; the advance system with regard to exports—the credit system with regard to Imports. The institution of municipal authority. The development of new branches of trade. The establishment of a railway, or at least steam communication with Chao-chow Fu and the neighbouring cities, and the opening of the coal fields in the neighbourhood.

These I shall briefly notice in their order, although it is impossible in the compass of a trade report to enter fully into them.

Foreign Custom House.—The Foreign Custom House under the present organisation, has hitherto worked disadvantageously to the Foreign trade at this Port, but it becomes yearly less injurious to it, and it is to be hoped may, with enlarged scope and power, eventually prove as great a benefit as it has hitherto proved an injury. Before its establishment here, foreign goods were freely introduced by the Foreigners already established at Double Island, on payment of the local duties, which amounted to about one-half of those laid down in the Tariff; but on the port of Swatow being formally opened in 1860, the Tariff naturally came into force, and goods became liable to the duties laid down therein in addition to those locally leviable. For the Foreign Custom House, although powerful in exacting payment of its rights, was powerless to obtain remission of the demands of the local authorities; nor were these latter without plausible reasons for the continuance of their levies—the local expenses of the Government had to be met, and as the Foreign Customs revenue was remitted in its entirety to Canton, the mandarins would have been without the means of carrying on their duties if they gave up the source from which in great mea-

sure they derived their funds; and in another way the Foreign Customs acted injuriously to Foreign Trade in that able to prevent foreign vessels importing goods elsewhere than at Swatow, they had no power to interfere with Chinese importers at the neighbouring ports, and the European merchants who had to pay Tariff and local rates, found himself competed with in the market by native merchants, who, importing their goods at an equally convenient port, ten miles or less distant, had paid local rates only. But for piracy, which threw the main carrying trade into foreign bottoms, the trade of Swatow would have been ruined.

And in a third way the Custom House, equally innocently, threw difficulties in the way of foreigners. The local traders found on the establishment of the foreign customs, that much of their trade was diverted by its action to neighbouring ports, and were themselves called on to pay duties from which they had hitherto been exempt, they naturally felt irritation at the institution, and, confounding it and foreigners generally, an inimical feeling against foreigners sprung up, which has not even yet entirely died away.

On the other hand, if the Chinese Government would place the whole Customs service in China under the Foreign Inspectorate, and fairly apportion the proceeds to the local and Imperial Exchequers, the clearness, fairness and equality of the system will prove of the greatest advantage to the foreign merchant; as when its present undue costliness is diminished, it will also to the Government. Even in the present state of the system, the returns published by it are a boon which can scarcely be overvalued.

Communication with the Interior.—In this, great progress has already been made. Eight years ago foreigners were cooped up at Double Island, and unable to land at Swatow even, with safety, the mandarins and compradores combining to excite angry mobs to check every attempt to penetrate into the country.

By degrees, chiefly owing to the energy of one of the merchants, a footing was obtained at Swatow, and the whole foreign community is now settled there.

In course of years, and as the result of various gunboat expeditions, it became safe for foreigners to go wherever it was apparent that a vessel of war could come within a couple of thousand yards, and this year foreigners have been able to go as far as Kea-ying-chow,—some eighty miles in the interior; missionaries go freely to all the cities in the neighbourhood, except Tinghai or Chenhai in the immediate vicinity, where persistent hostility is still manifested; and shooting, picnic and exploring parties are treated with courtesy, where a few years ago it was unsafe for them to pass. A few piratical villages remain to be brought to terms and then the country will be as thoroughly open as any of the northern provinces.

The opening of Chao chow-fu has in a great measure contributed to this, for although the notification of its being open to foreign trade and residence appeared only in December, it was practically open by the establishment of a Consulate and an agency of an English firm many months before; and mandarins seeing that we were determined to go, and the people seeing that going we did them no hurt, the opposition to foreigners in the department has almost ceased.

The city of Choa-chow Fu, now open to trade, is a prefectural city of large size and thickly populated, but does not show the evidences of wealth and commercial activity visible in many cities of the north; the shops are for the most part small, and, although there are fine stone buildings, the Feng-shui superstition against high buildings prevents their being effective.

The great present advantage accruing to foreigners from the opening of the city, is the means it affords of evading the Lekim tax on opium, there being no office for its collection there, and the Foreigner, who, by the formal opening of the port is able to take his goods there on simple payment of the Import duty, is able to sell his drug without further demand on him, or his customers; a gain, of Taels 10 per chest and a certain saving in foreign goods, which are no longer subjected to the local duties existing there, in addition to the Tariff duties.

But the prospective advantages are far greater in that it may lead to foreigners getting a share in the trade from which they have been hitherto excluded.

A powerful combination of brokers supported by the Mandarins has kept the Trade at Swatow in their hands. Consumers have been forced to buy and producers to sell through them, and the resident merchants have struggled in vain against them, but at Chao-chow-fu the combination does not yet exist, and the foreign merchant has an opportunity of forming a connection there without any organized opposition; and the cherished dream of the Treaties,—the bringing the consumer and Importer, the Exporter and producer, into direct communication, may perhaps be realized.

It will also have the indirect advantage of enabling the Mandarins to obtain some real power in the country intervening between the city and Swatow, which, with the support of foreigners, they will probably be able to do, and it may be hoped that it will lead to the development of new branches of trade. Some of the tea districts are easily accessible from the city, and the tea at present exported through the Chinese port of Cheulin, will probably in a year or two find its way to Swatow.

Coal mines have been discovered in the neighbourhood; and a manufacture of a peculiar kind of matting, discovered in consequence of the opening of the city, is likely to form a considerable article of export. The Chinese rarely initiate new branches of trade; and it is only by free

access to the interior that foreigners can obtain information of undeveloped facilities and new articles of commerce.

But there is great need of reform in the present system of trade, which is ruinous to the foreigner. The importer invariably selling on credit, and the exporter buying under advance. So long as the importer only sells to brokers who require time to dispose of the lots, and recover the amounts from the dealers, there is a reason for credit being allowed; but foreigners have unwisely allowed the system to be extended to petty transactions; and the dealers, when they come to the foreign warehouses for small quantities, demand their two or three months' credit, as if they were purchasing large lots. Nor unless the importers combine to refuse credit, except in large transactions, is there any apparent remedy, unless indeed it were possible to obtain the establishment of a Chinese Discounting Agency, at which the credit notes could be cashed at once by the foreigner; and this has been done, to my knowledge, at other ports, and may perhaps bye-and-bye be done here; and the foreigner would then have ample protection. The real price he obtained for his goods would be less than the nominal one, but the risk and uncertainty of the present system would cease.

For the advance system with regard to exports, I see no present remedy—the sugar has to be collected from a number of small cultivators, and the risk to a foreigner is probably less in making an advance to a contractor than if he attempted to send his own agents up country to buy, but if, as there seems a possibility, Swatow sugar finds a sale in other markets than those of China, it may lead to the formation of depots here, at which the exporter can supply his wants without the objectionable necessity of a never fully carried out contract and an uncertain-of-return advance.

As regards the institution of Municipal authority at Swatow, there can be no doubt in the mind of any one who has passed through its inconvenient and ill-smelling streets, of the necessity of the institution of some authority, which, in the further spread of the town, will avoid the present tortuous, latrine encumbered, mud immersed streets; that will effectually stop the conflicts of rival families, which ever and again turn it into a battle-field; which will construct jetties accessible at low as well as high water, and make passage from one part of the town to the other safe and easy at all times, instead of as now, frequently, a matter of great peril and difficulty.

Institution of a Railway.—Of the advantage to accrue from this there can be no doubt, and as the country offers no insuperable difficulties, notwithstanding the turbulent disposition of the people, there seems some possibility of obtaining the concession from the authorities, when they are shewn the ready means it will afford of bringing the country into subjection.

The returns shew the year to have been a bad one as compared to 1867, nothwithstanding the large increase in the export trade, chiefly owing to the falling off of the chief articles of import.

Opium and Beancake.—The falling off in opium has been owing to the importation, at lower than Tariff rates, having, during the last year, been permitted at the neighbouring Chinese ports, and to the amount smuggled overland from Hongkong; the local authorities shutting their eyes to the loss to the Imperial Exchequer, in view of the gain to the local revenues; and the Swatow merchants suffering, when I arrived—here in September, opium imported in Swatow paying exactly twice what it could be legally imported at 15 miles off; and the grievance is not yet entirely redressed, although no Lekim has been actually collected on foreign owned opium since then the rates levied at the neighbouring ports have been raised; the falling off would have indeed been greater, but for the opening of Chao-chow Fu in the latter, and some speculations to support the credit of a falling house in the former part of the year. The falling off in beancake is owing to the large and unprofitable sugar crop, an enormous export having found overstocked markets, and such low rates having ruled that the planters have been unable to afford the purchase of this expensive fertilizer, or in many cases having planted other crops instead of canes.

Textile Fabrics.—Show an increase, and in future years as the country round becomes more civilized, the demand will become even greater. At present the country people follow their agricultural pursuits, and carry on their recreations in the way of clan fights, in the state of Adam before the fall, merely donning their short trousers and scanty jackets on their return to the domestic hearth; but a change is taking place even now, and a clothed husbandman is becoming a far more common sight than in past years. It is useful however to remark the disproportion between the Import of manufactured goods and that of cotton and cotton yarn, and a remedy should be sought; much of the cotton is used in quilting, but it is strange that people should prefer to import foreign yarn to the already manufactured cloth, and it can only be that our goods are either from size or texture unsuitable for their purposes, as the cost of hand manufacture must necessarily exceed that by machinery. So far as I can learn, it is the want of durability that is objected to more than the form, and the probable reason is that the best chops of foreign goods rarely find their way, from the nature of the trade by which the importers here depend on what is sent to them for sale on commission, instead of keeping a constant supply of the quality of goods likely, when known to command a constant sale; the people being slow to adopt novelties, and good brands when sent not finding immediate appreciation of their excellencies, the port has gradually

got to being supplied with goods which do not readily find a market elsewhere. Beyond this, I know no feature of the Import trade requiring special notice. Guano is gradually becoming an object of demand, and although not yet generally taken, it may probably in a few years figure more importantly than it does now, and I trust also to see foreign clocks, watches, lamps, glassware and carpetings, brought in more largely than at present. The people have a taste for luxury and with a little adaptation to their requirements, there are many articles of foreign manufacture which would meet a ready sale, And it is to be hoped that at the next industrial exhibition at home, steps will be taken to procure musters of the things commonly in use in China, so that manufacturers at home may be able to see what really is the Chinese want. As for instance, table-covers; it is no use sending out table-covers that do not suit the tables universally in use in China, but there is no doubt that if the Chinese shape and size were followed, that the foreign article, so superior in beauty, would be almost universally adopted; if rugs too of a size to fit the Chinese kangs were sent out, they would be eagerly bought up; indeed the Chinese are not too bigotted to use any foreign article; and it answers their ends as well, and proves as cheap as the native manufacture.

The export returns show a large increase in the export of sugar and an increasing export of tea. The first is the staple of the port, canes being planted for miles, and the raw sugar roughly manufactured by every peasant. Up till now, the chief and only market has been the north of China, and the Chinese are, by their greater facilities for buying here and selling in the northern ports, the chief sharers in the profits of the trade, indeed a foreigner only engages in it at great risk, for he has to purchase through dishonest agents from the cultivators, and to make advances on the feeble security of their word, and consequently can rarely trust to seeing his contracts fulfilled, unless it happens that it is profitable to the contractor to do so—there seems to be some hope, however, of the sugar finding a sale in Europe, and if the Corea be opened, there will be another market there which will lead to depots being formed at Swatow; the foreign merchant will be able to buy and avoid the necessity of contracts and advances.

Much requires to be done in the introduction of machinery, but the port is scarcely ripe for foreigners to take the manufacture into their own hands; and it would not pay small proprietors to vary their present rude system of manuture; as we advance, however, in the country, the experiment will probably be tried, and once established, the new system will rapidly spread, but this is still a thing of the future. Certain improvements are however being introduced, and next season will see the manufacture of sugar-candy inaugurated.

Tea is a new article of export, and labours under great difficulties at present, being exported from a neighbouring Chinese port in Lorchas, at one quarter the duty it pays here, this however has been brought to the notice of the authorities; and although of somewhat coarse quality the leaf suits the American market, and may become eventually an important element in the Swatow trade.

Paper is an important article of trade, but chiefly in Chinese hands—the opening of Chao-chow-fu may probably however lead to foreigners being enabled to obtain a share of the profits; the city being the head-quarters of the manufacture.

The shipping returns show a decrease, owing to the small demand for beancake. The conveyance of this bulky article with the passenger trade to the straits, forming the chief support of the vessels trading here. They show also that the British Flag monopolize a goodly share of the carrying trade, notwithstanding the complaints made by Captains and owners that British vessels are subjected to vexatous restrictions from which other vessels are free.

In one matter they certainly have good ground for complaint in that while British vessels are not allowed to carry more than one passenger to every two tons capacity, foreign vessels are allowed to carry three to every two tons.

This is a great grievance as it naturally throws all the passenger trade into the hands of foreign vessels, and as some twenty or thirty thousand passengers go down to Singapore annually, the loss is considerable; a remedy is however looked for in the proposed reduction by the customs of their too liberal allowance, and the substitution of a rule permitting ships to carry one per ton only; and if the local act lately passed at Singapore become law here as well as in the colony, British ships will be in a position to get their fair share of the trade.

It is no use prohibiting vessels bringing more than the number of passengers allowed by the act to Singapore, as the restriction is easily evaded by vessels landing their living freight before entering the port.

For the other grievance I see no remedy; a foreign Captain gets rid of his crew when others are to be got more cheaply, or he desires to supply their place with natives, without difficulty; the men being left, if they cannot obtain employment, to starvation or the charity of the community, but a British Captain in discharging his men only shifts the expense of their maintenance on the ratepayers at home, and is naturally refused the facilities given his foreign brethren.

The Duties returns show Tls. 12,800 collected during the year as Tonnage Dues, but there is little to be shewn on the side of what the Chinese Government have done towards the fulfilment of their duties in the administration of these funds. A Harbour Master, who was scarcely required, has indeed been appointed this year, and the superinten-

dence of the pilots of the port have been assumed by him, but it is still impossible to land at low water, for want of a few hundred dollars being expended on the Customs jetty; no steps are even talked of as being taken towards the establishment of a light, urgently called for on one of the points near, and it seems hopeless to ask for the laying down of half a dozen buoys by which the necessity for pilots at all might be avoided. In conclusion, I have a word to say regarding the English, or rather Scotch Mission established here, as its progress and prosperity is largely though indirectly bound up with our commercial interests.

Established some ten years ago, its Agent, Mr. Smith, even then, notwithstanding the irritation against foreigners, maintained his position at Swatow, and the Mission stations have since spread to all the districts round, and at great personal risk the footing of the Mission has gradually been made good.

Nor has this been done by constant appeal to a protecting Gun-boat, the Consul and the Authorities have from time to time been called on to extend protection, but it has ever been rather to prevent recurrence of violence than to obtain redress, the Missionaries seeking but the opportunity of being heard, rather than obtaining the punishment of those who rather from ignorance than anything else, had offered them insult and injury.

By these means, they have in many places obtained the good feeling of the people, who led away by inconsiderate excitement, naturally expected to suffer the consequences of their violence; and in many of their chapels they are far more secure than they would have been had an army marched in to exact satisfaction for the opposition offered to their entry. And in another way they have obtained powerful support in their careful abstaining from interference in the temporal concerns of their converts, for although had they always been ready to take up the case of a professing Christian with the Consuls and Authorities, they would probably have numbered many more nominal converts, they would have had no security for the sincerity of their followers, and would have been regarded with jealousy and resentment by the Mandarins, instead of as at present, toleration and even friendship.

From two labourers their number has been increased to four, and while one is always present at the hospital and headquarters in Swatow, the others visit the out-stations and make tours through the country, distributing bibles and tracts; and although it is impossible to rightly estimate the extent of their work by a statement of the number of their chapels and congregations, its effects can be and are felt by the community generally, in the spread of the good report of foreigners and the accustoming of the people to them in a favorable light, in places heretofore inaccessible to us; and which, had less judicious agents visited them first, might still have remained closed to us. So long as the missionaries devote themselves to the preaching of the Gospel, they must succeed, and the merchant, the traveller and the official will always find the way smoother before him where an honest missionary has gone before.

CHAL. ALABASTER.

No. 41.

PEKING, *5th May*, 1869.

SIR,—I transmit to you herewith Mr. Alabaster's report upon the Trade of Swatow for 1868, to be printed for the information of the public, together with the copy of a despatch I have addressed to him in reply, to be printed and published with the report.

Your obedient servant,
RUTHERFORD ALCOCK.

W. H. MEDHURST, Esq.,
H. B. M. Consul, Shanghai.

Copy,

PEKING, *3rd May*, 1869.

SIR,—I have received your despatch No. 19 of the 20th February, enclosing returns of trade for the port of Swatow for the year 1868, together with your report. The latter contains much useful information on the progress of trade, and the disadvantages under which it labours, together with various suggestions for the removal of them.

With reference however to your suggestions, I do not altogether concur with you as to the expediency of some of the measures, or the practicability of others. That Swatow labours under peculiar disadvantages from its proximity to the free port of Hongkong, and also from the want of uniformity of rate in the imposts on trade, compared with other places in the province, is unquestionable. But the remedy for these evils is by no means so obvious.

In so far as the establishment of Bonded Warehouses is concerned, the Chinese Government has conceded the principle, and we may hope, at no distant period, to see the system in action wherever it is deemed desirable by the merchants themselves. But Hongkong will remain where it is, whatever objections may attach to it as a free port, in near proximity to the mainland.

The difficulty of recovering debts from Chinese by foreigners is common to all the ports, as you observe, and however disadvantageous it may be, it is very certain that your proposal to hold the government of China responsible for the debts of their subjects, will not be adopted by Her Majesty's Government with a similar condition of responsibility for British debtors, or voluntarily accepted by the Central Government here, as either just or expedient, without it. Nor can it be said that this ground of complaint exists on our side only. Superior as the machinery of Consular Courts, and

of the British Supreme Court at Shanghai, may be to that of Chinese, native dealers cannot always recover debts from foreigners, and they are in effect very often left without redress in the case of Bankruptcies and fraudulent debtors, as in Mackellar and Co.'s case, quite recently. If foreigners are more frequently defrauded or subjected to loss, it is not quite certain that the Chinese, on their side, do not lose more largely. No doubt the present state of affairs in this respect is very unsatisfactory. The adoption by the Chinese Government of a Commercial code, and a better system of adjudicature is under consideration, and in this direction alone, I fear, can we look for material improvement.

The want of equality in the impost on trade at Swatow and other places in the province or vicinity, to which you allude, tells, of course, disadvantageously on the port. But the same injurious conditions exist, if not in equal degree, at all other ports, I fancy, and not exactly in the manner nor to the extent you seem to think at Swatow. It is not because the authorities of Chao-chow-fu and Swatow have to provide for local expences exceptionally—or that this requirement, whatever may be its burden, is caused by the Customs revenue being "remitted in its entirety to Canton" that native trade or smugglers are driven from the port, and favoured by a lower rate of charges elsewhere. The whole proceeds of the Customs, no doubt, are carried into account with the provincial Treasury at Canton, and where no foreign Custom House establishments exist, the accountability may be less strict; but at your port, as everywhere through China, the local officers are under obligation to render an account to the provincial treasury of all revenue received, deducting from the proceeds what is assigned or required, as the case may be, for the authorized expenses of the local administration. Whether the burden on trade in your district be greater or less than in another, therefore (under the different heads of Lekin, Transit, and Octroi duties levied in each prefecture) the cause of any differences or in equality must be sought in the facilities for evading full payment, rather than in the supposed transmission of the Customs revenue to Canton.

It would, no doubt, be most desirable, not for Chao-chow-fu and Swatow only, but for all the treaty ports, if the imposts on trade could be more systematised and unified, so as to fall with equal incidence everywhere, and thus prevent one port having an unfair advantage over another in its vicinity; or one province over another by its system of maritime and inland taxation. But as China is at present constituted, all attempts to obtain perfect equality and uniformity in the fiscal system, established throughout the eighteen provinces, and in the levy of taxes on trade, must of necessity fail. Many defects and abuses in the fiscal administration of the empire, especially as regards the collection of maritime and inland dues on commerce, are inseparable from the system of Government; and it is idle to dwell upon them while that system is maintained. Improvements in the one can only be secured by changes in the other; and the evils most complained of cannot be seriously diminished without changes too sweeping and radical to be thought of at the present time. We gain nothing by dwelling on defects of machinery which are implied in the fundamental principles of construction. Nor indeed is the question of local and Imperial taxation without its difficulties in other countries besides China. It is at this moment under discussion in England and seems likely to tax the best powers of Parliament to deal with it in any satisfactory manner. In China, as elsewhere, the local and Imperial taxation are too intimately connected together to be deal with separately, and must be considered together by any commission or Government seeking to re-adjust their proportions or incidence, as well as their mode of collection. This and no lighter task, is what the chief abuses and defects attaching to both in this country would demand, if undertaken at all.

As to your remark that although the duties returns show 12,000 taels collected during the year as tonnage dues, there is little to be shown in the way of material improvements required in the Harbour and the approaches to it, I cannot help thinking that, if all that is necessary were attempted in one year, the annual revenue would be far from sufficient to meet the outlay. And the demands of every port pressed in the same spirit, would probably more than absorb the whole revenue of the Customs.

The Customs' Jetty, I understand, extends already 700 feet over the mud, and if it is to be carried out 500 or 600 more, to do that, using granite, will probably I am told, cost some 6,000 Taels, instead of the few hundreds you speak of. Or, if iron screw-piles are used, perhaps 8,000 Taels. Now, as the harbour engineer from Europe has only just arrived in Shanghai, and he cannot go to Swatow yet, I think the Maritime Customs administration may well hesitate to spend money on such a work in the interval. In any case, as the Customs jetty in question is for examining cargo, it may be doubtful whether the expense of its extension could be fairly charged to Tonnage Dues. Moreover, the opening of Chao-chow-fu may throw work to the other side. It is just one of those things, therefore, which, if treated hastily, might involve a perfectly useless expenditure.

Again, as to a lighthouse. The first designed for Swatow is to be, I understand, on Bucker point, and it will have to be raised some 200 feet, and built of granite cut on the spot. I should be sorry to hazard any estimate of the final cost. But it may be certainly calculated that five years of the proceeds of the Tonnage Dues at Swatow will not cover the expense.

Your objection to the Harbour Master's appointment, as superfluous, is a further proof of the necessity of mature consideration before any of the numerous demands incessantly made for the publication of Tonnage Dues, and the adoption of measures at each port, are acted upon. A Harbour Master was one of the wants very generally urged upon the Inspector General of Customs; and now it would appear to be found out that such an officer was not required.

Considering how much is wanted along the whole seaboard of China from Newchwang to Canton, in the way of light-ships, light-houses, buoys, beacons, &c., and how large the expenditure of both time and money that will be required to meet the most pressing and necessary of these wants, no Government can be expected to undertake the whole of the works simultaneously, or without due deliberation and the best professional advice. A large command of funds is one of the first conditions of success, and of funds already in hand and directly available, before works of an expensive nature can be begun which require to be pushed on continuously to avoid deterioration; and although a million and a half of Taels, or more, may have been collected since the signature of the Treaties of Tientsin, under the head of Tonnage dues, and, in the spirit of Treaties, the whole of this, less such proportion as may have been already appropriated to works of this nature, might be considered as reserved for such purposes, yet, if not actually forthcoming, it advances nothing to call for its immediate investment at the hands of the Customs administration. The work has been begun, and is being carefully and systematically pushed on, and I see no reason to doubt that, under the supervision of the present maritime administration, it will be honestly carried on to the end,—if not as fast as many would desire, at least as promptly as the nature of the task and the circumstances will admit. Some 45,000 dollars, I understand, have recently been remitted to Europe, for the building of a first-class light-ship for Shanghai, which, it is hoped, may last twenty years; but quite as large a sum has been spent, during the last few years, on three substitutes: another proof that mere expenditure of money is not the only thing required, if permanent benefit is to be secured by a large outlay; any "the more haste, the worse speed" mad have its application in the matter of light-houses and beacons.

Your obedient servant,

RUTHERFORD ALCOCK.

CHALONER ALABASTER,
&c., &c., &c.

CANTON.

The Returns annexed to this Report are as follows :—

No. 1. Return of British Shipping.

No. 2. Tonnage and number of foreign vessels according to nationality.

No. 3. Imports from foreign countries.

No. 4. Exports to foreign countries.

No. 5. Chinese produce imported from Chinese ports and Hongkong.

No. 6. Chinese produce exported to Chinese ports and to Hongkong for re-exportation to Chinese ports.

No. 7. Comparative Statement of some of the principal articles of Import.

No. 8. Comparative Statement of some of the principal articles of Export.

The foreign trade at the Port of Canton during the year does not, according to the Foreign Custom House Returns, show so favourably as might have been anticipated, being, without taking into account the import and export of Treasure, $1,011,313, or in Sterling about £222,278, in value below that for the year 1867. The cause of this is not, and cannot be known, as the Import trade, in piece goods at least, is entirely in Chinese hands, and all that can be accounted for are those brought by the River steamers, which must be a small percentage of the entire quantity imported in junks and otherwise. With the exception of exports, foreign trade, that is, trade conducted by foreigners at the port and passed through the Foreign Custom House, forms but a small item in the general business, and is confined almost entirely to raw cotton and metals. To judge, therefore, of the prosperity of the port by the Returns now made is a fallacy. Canton is a wealthy, prosperous, and busy city. In times past the foreign trade was concentrated in the hands of a few, for imports were brought direct from Europe and sold in large parcels to the dealers, who were men of substance and wealth. Now all this is changed. The colony of Hongkong has become the market of Canton, where the dealers and brokers purchase what they require and ship it for the coast places or Canton in junks; and, as no reliable record is kept at the native Customs' Stations of either imports or exports, it is impossible to arrive at even an approximate estimate of quantities or values passing through Chinesehands.

This apparent deficiency in the value of the trade may, however, be attributed to falling of in the imports of opium, cotton, and nankeens, as the following comparative tables will show :—

Opium.	Value in dollars.		1,385,398	498,656	886,742
		912,559			Dollars.
		472,839			
			253,514		
			245,142		
	Weight in piculs.		2,111	807	1,304
		1,233			Piculs.
		878			
			365		
			442		
	Imports.	1867—Malwa			Deficit in 1868
		Patna			
		1868—Malwa			
		Patna			

shewing a deficit in 1868 of 1,304 piculs of opium and of value $886,742.

Cotton shews a deficit in 1868 of 18,973 piculs and of value $717.586.

Nankeens.

Imports.	Weight in piculs.	Value in dollars.
1867—Nankeens ...	16,135	1,290,770
1868— Do. ...	12,864	964,822
Deficit in 1868	3,271	325,948

The falling off in the importation of this article may be attributed to the market being overstocked during the previous two years. The best kinds are manufactured in the Province of Kiangsu, from a reddish coloured cotton grown in Kiangnan, from whence it is brought to Canton, where nankeen is also produced, but of an inferior quality, and by no means equal to that made in the north. Some fifty years ago the export to the United States and other countries was very large, but, the fashion for it having gone out, it is imported now chiefly for Chinese consumption.

Raw Cotton.—The import of Indian grown cotton is much on a par with that of the preceding year 1867, but the mar-

ket price has been very low and the loss upon it proportionate. Native cotton, chiefly from the north, has fallen off considerably. It is almost impossible to account for these fluctuations, nor do we know sufficient of the economy which regulates supply and demand in China to be able to attribute them to any certain cause.

Cotton yarn, imported chiefly from England, has, on the contrary, increased in quantity, and the impression is, will increase for manufacturing purposes, its use becoming more extended every year. The following* will show the loss and gain in these articles of import. From which it will be seen there is a considerable decrease in the import of raw cotton in 1868, but an increase in Cotton yarn.

Cotton Piece Goods.—It is difficult to say what is the amount and what is the value of the imports of this class of goods, as only of those passed through the Foreign Custom House is their any record. The Chinese merchants and shopkeepers make their purchases at Hongkong, distant some ninety miles from Canton, with which there is a daily communication by steamers, besides a large junk and passage boat conveyance. For the purpose of a trade estimate, therefore, the following return is of little value. It will show, however, a comparison of Customs entries for the years 1867 and 1868. From which it will be seen there is no material increase in any of the goods with the exception of T.-Cloths, which show some improvement.

Woollens.—The Chinese dealers supply themselves with these goods at the Hongkong market as they require them. Stocks are never kept at Canton, and it is impossible to say what is the real consumption for reasons above given. From which it will be seen there is a decrease upon almost the whole of these articles.

Metals.—Metals have been in fair demand during the year, and show consequently an increase over the import in 1867.

But these amounts, compared with those of 1863, viz., Lead 60,655, Iron 29,991, Quicksilver 4,054, piculs, indicate a large falling off; apparently so, at least, but, in all probability, really not, that amount and more being imported in junks.

Opium.—The quantity imported in foreign vessels and passed through the Custom House in the year 1868 was only 807 piculs against 2,111 piculs in 1867, shewing a considerable falling off. This may be attributed to the fact that during the former year the duty levied on this product taken in junks from the British colony of Hongkong to Kiangmun, for the West River and the western part of this province, and to Sam-shuy for the North River and the eastern part of the province, has been much less than on that passed through the Canton Custom House, as the following statement will shew.

	Taels.	*m.*
Duty on Opium carried in native boats from Hongkong to Kiangmun per chest - -	22.	4.
War-tax, - - - - - - - - - -	16.	0.
Total Taels.	38.	4.

	Taels.	*m.*
Duty on Opium brought in foreign vessels from Hongkong to Canton per chest.	38.	0.
War-tax, - - - - - - - - - -	18.	4.
Opium farmer - - - - - - - -	8.	0.
	64.	4.

From Canton to the North and West Rivers.

	T.	*m.*
Canton officials, - - - -	4.	5.
Station at Samshuy . -	10.	4.
Do. at Lupaou (North River) or How-le (West River) - - - - - - - - -	10.	4.
	25.	3.
Total Taels.	89.	7.

Consequently, Opium intended for the interior of the province, imported by native vessels from Hongkong, pays in all a duty of Taels 38.4 only, instead of a duty of Taels 89.7 which would be levied upon it, if it passed through Canton, being a saving of Taels 51.3 per chest; and, of course, with this premium upon it, none but what is required for local consumption is imported into this city.

Naturally it may be asked, why should this difference exist? That at Canton, the provincial city, the duty per chest should be 89 taels, whilst at Kiangmun some twenty miles only distant from it, it is but 38 taels, seems unaccountable. The only answer that can be given is that the duty at Canton on Opium imported in foreign vessels is levied in accordance with the Treaty tariff rate, being 30 taels per picul, equal to 30 taels per chest, and to this are added the various imposts leviable at the interior stations and by the Canton officials, which run it up to so high a figure.

This, however, is a matter of no great moment to the foreign merchant, for all opium is sold at Hongkong, and, having passed into Chinese hands, how or by what route it enters the Kwantung province does not concern him; the question only being, if the high duty levied at the city of Canton was lowered, whether more opium for consumption would be purchased. Certainly, if the duties were reduced to a minimum, an increase might be looked for, but without that it is exceedingly doubtful whether much in excess of the present importation would result from the Canton levy being equalized with that of the native levy.

Of late years native-grown opium has been on the increase. It is produced chiefly in the provinces of Yun-nan, Kwei-chow, Sze-chwan, Shan-si, Shen-si, and Kwang-tung, which are Southern provinces. It is also grown in some of the Northern provinces. In quality some of it is not much inferior to Malwa opium, but in strength and flavour it is weaker. It varies, however, in different places, that produced in Sze-chwan being the finest. Smokers prefers the Indian drug, although the price is double that of the native. Indeed, the latter is chiefly used for mixing with the former, in the proportion of 7/10 foreign and 3/10 native. The production of native opium is now, however, forbidden by an Imperial decree dated the 22nd of January, but it is doubtful whether this will affect the importation of Indian opium to any extent.

RICE.—There is generally a considerable import of this grain, but during the past year none arrived in foreign vessels, but large quantities in native-craft—at the rate of at least 7,000 piculs per diem, more or less. This is owing to the exaction of tonnage dues from foreign shipping, the cargo itself being free and freight on it too low to allow of the payment of tonnage dues. Efforts to relieve vessels from this levy have frequently been made, but in vain, and the result is the trade has been completely driven to Hongkong, from whence it is brought up in junks.

WHEAT.—Large imports of this grain from Shanghai have been made during the year to the estimated amount of 113,697 piculs at a value of $ 306,984. It is said that, in anticipation of the cotton market at Canton being depressed, a great deal of the land usually put under cotton cultivation was sown with wheat, and hence the import.

GINSENG.—Ginseng is the root of a plant which grows wild in Manchuria and the North of Corea and Japan. It is also imported from America under that name, but it is probably a different species, though assimiliating to the native production in the medicinal qualities for which it is so esteemed by the Chinese, these being chiefly strengthening and stomachic. The crude is the natural dried root. The clarified is rendered translucent by steaming, skinning, and drying the fresh root. It is an Imperial monopoly, the finest being reserved for the Court at Peking and considered more valuable than its weight in gold. The amount imported into Canton, chiefly American, has gradually decreased, and last year reached only 1,512 piculs Custom House entries. This is due to the clarification process being effected at Hongkong, instead of, as formerly, at Canton, and from thence sent to the Northern ports.

EXPORTS.

TEA.—The export of tea was 7,000 piculs less in 1868 than in 1867, but 12,000 piculs more than in 1866. The stock too at the close of the year was only 2,500 piculs against 9,400 piculs in 1867 and 14,000 piculs in 1866. The country teas also—that is, teas made in, packed and sent down from the interior amounted to only 10 chops, weighing 4,200 piculs against 28 chops in 1867, weighing 11,000 piculs.

The following table gives the export during the past six years:

Tea.		1863.	1864.	1865.	1866.	1867.	1868.
Black	Piculs.	135,348	82,163	90,093	74,845	88,978	85,916
Green		48,000	22,551	18,331	9,295	14,677	10,581
Total		183,348	104,714	108,424	84,140	103,655	96,497

Some of these teas are prepared at Canton from the leaf sent down in bags, and scented and packed for the home market.

The following gives the average market quotations for the year:

Description.	Quotations in Taels per picul.
District Congou	15½, 18, 21, 25, 29, 32, 33
Scented Orange Pekoe	15, 18, 20, 22, 27, 31, 38
Scented Capers	13½, 14, 16, 24, 27, 30, 32,
Country Congou	24, 25, 27, 30½ [37
Canton packed Congou	17, 18, 20, 21, 22
Souchong	17, 21½ [30, 31
Gunpowder	13, 14, 19, 21, 26, 28,
Young Hyson	17, 20, 22, 25, 28, 30
Imperial	18, 22

The average value of the tael in British currency may be taken at 6s. 1d., and the picul at 133⅓ lbs. avirdupois.

SILK.—A large increase in quantity of raw, thrown and wild silk, is shown by the Custom House Returns for the past year 1868 over the preceding one 1867. The market opened very briskly and at full prices, causing a proportionate influx of the article, together with

some sorts which have hitherto gone to Macao. Piece goods, ribbons, and sashes were rather under the usual amount. The following table* will shew the differences between the two years:

Shewing an increase in raw and thrown silk of 2,411 piculs, value $ 894,021, and in wild raw 1,193 piculs, value $ 236,379, in the year 1868.

CASSIA.—The export of this product has increased during the year to the extent of 36,000 piculs in 1868, against 24,600 piculs in 1867. This was owing to an improved demand, which diverted a portion of it from the usual route to Macao.

SUGAR. — The Customs Returns of sugar are short by at least 66,000 piculs, compared with the export of 1867; but probably that amount and a great deal more, was conveyed by junks to Hongkong, where there is a large trade in it for Japan and other places.

VERMILION.—Not more than 59 piculs were exported. It is now manufactured in Hongkong chiefly, thus escaping duties and charges of various kinds.

INDIGO.—A good demand for this article occasioned an increased manufacture, and the export improved by 900 piculs over that of the year 1867. The total amount exported was 4,286 piculs, at a value of $192,865. It is manufactured chiefly in Canton.

MATTING.—There was a falling off of at least 20,000 rolls compared with the export of 1867. Consequently, the stocks on hand are larger than usual.

The above are the principal articles comprised in the Import and Export Trade of the port of Canton; and all that can be said is, it has not receded, if it has not increased much. This apparent stationary position is due to the two Custom Houses, namely, the Foreign one under foreign supervision, through which all goods imported or exported in foreign bottoms must pass for the levy of Treaty tariff duties; and the Chinese one, which takes cognizance of Chinese junks and vessels, and has its own scale of duties according to the Imperial standard; and, as this varies considerably from the foreign Treaty one, being generally more favourable, and the collection of duties being certainly more carelessly managed, Chinese merchants prefer shipping by native craft for short distances, such as to Hongkong, and hence the bulk of the trade goes by that sort of conveyance.

In former Reports the tendency of the foreign Import trade to vest entirely in Chinese hands, has been adverted to, and every year confirms that anticipation. It has even taken a step in advance, by a movement on the part of the Chinese dealers to check importation of goods by foreigners, and thus keep the trade to themselves. Instances are known where parcels of woollens in foreign hands have been found unsaleable, which, on being returned to Hongkong, were immediately purchased and re-imported by Chinese dealers through the Foreign Custom House, thus proving that it was not a question of duties but of combination to keep the trade in possession. This power of combining, on the part of the Chinese, is one of the most formidable obstacles the Foreign merchant has to contend with. The markets for cotton, piece goods, tea, silk, everything, in fact, both of foreign and native trade, are regulated by the guilds, and no single individual Chinese dare act in opposition to their decrees. At times they go a little further than the law warrants, and in the year 1867, I was obliged to interfere and break up a cotton combination that threatened to make a monopoly of the trade,—to the great satisfaction of the brokers and outside dealers, who could not of themselves resist the power of the guild. During the past year, I have also been in collision with the Tea and Silk guilds on these grounds. It is the custom of the trade to take musters of teas to the foreign hongs for inspection, which are examined and tasted, and if approved of, the price is agreed on, on the understanding that the bulk of the tea when delivered will be equal to the muster. All this having been arranged and the time of the chop's arrival ascertained, the foreign merchant will engage tonnage by some vessel to be on the berth about that period. When the teas come down, however, they are found to be very inferior, badly made, badly fired, mixed, and not unfrequently all but worthless. Unfortunately, foreign merchants have not the power of combining like the Chinese, and competition—the great bane to a sound system of trade, exists to an unlimited degree. In this, of course, consists the security of the Chinese dealers. To throw up the contract would probably entail no loss on them, as the chances are competition, or whatever else may be the cause, ensures as good and perhaps a better price than the original agreement, but it would seriously injure the foreign purchaser, who, his tonnage having been engaged and advices having gone forward, would be awkwardly placed by the failure of the contract. The brokers too who represent the owners will submit to no deduction, or, if to any, only such as is of little advantage. In the end the teas go forward, and the results are shown by the advices from home,—sold without reserve—got rid of at any sacrifice.

A deputation of those interested in the tea trade waited upon me to point out these facts, and the difficulties they laboured under in the matter. I told the members composing it the remedy lay in their own hands, which was to refuse teas that were not equal to muster, and, if that was inconvenient, I did not see how I could assist them, unless they brought actions against the teamen for breach of contract; and this I understood was also inconvenient from the delay which always attended the trial of actions in a Mixed Court. I proposed, however, to see if I could arrange a system of

arbitration, by which delay might be avoided and any question which arose settled at once. Accordingly, I addressed the Chinese authorities on the subject, but, after a long correspondence, the Tea guild refused any compromise and met my proposition by a counter one that teas found unequal to muster should be refused. This I knew was what the dealers were always ready to accept, and required no understanding or arrangement to effect. So, finding all attempts at a settlement were hopeless, I requested the viceroy to issue a proclamation warning the teamen that in any case of fraud they would be severely punished. This proclamation was issued and has, I have been informed, had a very salutary effect, the brokers and dealers having become more amenable to reason.

A complaint was made to me by a deputation of those interested in the silk trade, who represented the system of robbery that existed and frequent deterioration of the silk shipped from this by damp and mildew. The bales on being opened at home were found to be short in weight, by the evident abstraction of some of the books, although the outside packing appeared undisturbed. The silk too was mildewed. There was a strong suspicion that the robbery was effected in transitu between Canton and the shipment of the silk at Hongkong, in the Peninsular and Oriental Steam Navigation Company's steamers, and certainly by Chinese, who alone could open and repack a bale of silk so that it could not be discovered. To this I could only reply by recommending a handsome reward being publicly offered for such information as would lead to the conviction of the offenders; and that, as regarded the mildew, I believed it was very difficult to prevent. The preparation of silk predisposed it to the absorption of atmospheric damp, and silk packed in rainy weather, although apparently dry, imbibed a large amount of moisture, which, of course, was developed in the heat of the ship's hold, and caused mildew. Perhaps, too, it was damped by the seller to increase the weight. I saw myself no remedy for this beyond great care on the part of the Silk Inspector, and, even with that, the large amount of silica and salt contained in the fibre, would always affect it injuriously in a hot, damp climate like that of Canton.

I mention these two circumstances to show that the foreign tea and silk Inspectors at this port have not failed to endeavour to correct the evils and remove the abuses they are subjected to, but the remedy is one so purely a matter of arrangement between themselves that other interference is all but useless. When combination and non-competition become the rule, they may hope for better things.

I do not see that the prospects of foreign trade, that is, trade in foreign hands is likely to improve. That there is an immense trade at Canton there can be no question, but it is in those of the Chinese. After all it is but a question of locality, for whether transactions take place here or at Hongkong is, as far as the foreign merchant is concerned, of no great consequence. Indeed, business is more simple and easy at the colony than here. Goods are sold and taken delivery of at the godowns by the Chinese purchasers, and the trouble of re-shipment to the Canton House and passing them through the Custom House, and paying duties on perhaps unsaleable merchandize, by which a loss of capital and interest is incurred, is all saved, and much other trouble and expense also.

As regards exports of tea and silk, which still remain under foreign control, unless greater care is shown in regard to their selection and the state they are packed in—by which I mean their qualities and firing,—the reputation of Canton teas will suffer considerably. I think also the exportation of what are called "Lie Teas," a preparation of the leaves of a shrub, and without one particle of tea in them, unless it be some dust sweepings rolled up with rice water —is much to be deprecated. There is a considerable traffic in this abomination for the home markets, for the purpose, doubtless, of mixing; and it is regularly quoted like the true article.

With these brief remarks I close my report of trade for the year 1868. There is nothing very encouraging in it, I fear, but it must be remembered that Hongkong is the depôt of this port, and the returns of the Foreign Custom House do not represent the true trade of the port. I have taken them, however, as data in the preparation of this report, as well as information supplied by the Foreign Commissioner of Customs, whose courtesy and readiness to oblige I take this opportunity of acknowledging.

British Consulate,
Canton, 31st March, 1869.

D. B. Robertson,
Consul.

DEPARTMENT OF STATE
RECEIVED
FEB 3 1870

Ack'd Feb 4

Disp. N°. 69. – 3 Inclosures

Legation of the United States,

Peking, Novem 24. 1869

Sir,

Referring to Mr. Seward's dispatch to Mr. Browne, N°. 8 of October 29th. 1868, inclosing a form of certificate to be used in exchanging the ratifications of the additional articles of the Treaty of Tientsin, which accompanied it; – and also to Mr Browne's dispatch N° 30 of June 4th. 1869, in which he added some observations on the reply of Prince Kung when giving his reasons why the Chinese Government had deferred this exchange; – and lastly, to my dispatch N°. 65 of the 1st. ult°, in which these reasons were again brought

Hon. Hamilton Fish

Secretary of State.

brought forward by the high dignitaries to excuse and explain their further delay, I have now the honor to inform you that the Emperor has ratified the eight additional articles, having affixed his seal to them on the 20th inst. He also issued a commission on that day, appointing Tung Tsun, one of the chief members of the Foreign Office, to be his Imperial Commissioner for the purpose of exchanging the ratifications, which was yesterday accomplished with all due formality and care. I inclose a copy of the certificate signed and sealed by each of us, and of the correspondence which passed between us previously, (Inclosures 1. 2. 3) to which I refer for further details.

The form of certificate used on this occasion

occasion is the same as that employed by Mr. Ward ten years ago, when he exchanged the ratifications of the Treaty of Tientsin with Hängfuh and Wän, and differs a little from the one sent at this time, though equally explicit. In proceeding to complete the exchange of these ratifications, I can not doubt but that I have done what you would have had me do. There were some special reasons for effecting it now, which seemed to me to override all the objections that I might adduce for delay because I had no commission from the President for this special purpose.

One of these was, - the bad effects of the rumors widely circulated and believed in the south of China and abroad, that the Imperial Government had definitively

refused

refused to accept these articles, would thus be wholly neutralized, and the credit of the Chinese Embassy upheld. These rumors had already led to various unjust inferences as to the motives of the ruling statesmen at Peking for their delay, and had consequently strengthened the idea that they were tired of their Embassy, and regretted the expenses it had entailed on them.

Another reason had reference to the importance of the ratified Treaty reaching you before the rising of Congress, and the closing of navigation in the Pei-ho was too near at hand to admit of delay, if this copy was to be sent to Washington this winter. The personal explanations of W. Brown, the Secretary of the Chinese Embassy, who showed the officials the injury they were doing their

cause

cause by this delay, were successful in chang-
ing their minds; and after he had thus brought
about a result which all my efforts had
failed to do, it certainly was hardly proper
to refuse to meet their proposals to ex-
change the ratifications in consequence of
an informality arising from the departure
of the late U. S. Minister at Peking

The omission in the State Depart-
ment to send one of the two copies of the
original Treaty left in Washington, with the
President's ratification, had, however, I may
here mention, nearly prevented the exchange.
The Commissioner Tung Siun at first de-
clined to accept the English version alone,
without the Chinese, text, for he said he
could not hand up the former by itself, as
it could not be read or referred to in case of

a dispute by any one at Court. As he gave me the Chinese text, bearing the impress of the Great Seal, and accompanied by the English version, so I ought to return him a similar duoglott copy, which he could return to the Emperor. The difficulty was a serious one to him, and at his suggestion, as the best way to get over it, a certified copy of the Chinese text was fastened to the English to complete the document. He well understood the desirableness of making the exchange at this time, and it was well for both parties that he was willing to make this answer.

It is perhaps worthy of mention that the same difficulty occurred in 1859, at the exchange of the former treaty; but I had kept an original copy for the archives

of

of the Legation, which was cut out of its - binding to supply the want, so that the - exchange was effected on the spot. In view of the circumstances, I think it would be best to transmit one of the two originals now in the State Department to this Legation for the purpose of giving to the - Foreign Office in place of the ratified copy now sent you.

I have confided this copy to the care of Mr. J. McLeavy Brown, who returns to his post in the Embassy by way of Washington and will deliver it to you. His personal intercourse with the officials during his visit has furnished him with their views on the present position of their country in relation to other nations, and on other points growing out of their extending foreign -

intercourse,

intercourse, which you may be interested in learning more fully about from Mr. Brown's own statements.

I shall immediately publish these Eight Additional Articles in English and Chinese, and circulate copies among the Americans in China

I have the honor to be,

Sir,

Your most Obedient Servant,

S. Wells Williams

Disp. N°. 69
Inc. 1.

Copy

Certificate of Exchange of Ratifications.

The Undersigned, S. Wells Williams, Chargé d'Affaires ad interim of the United States of America to China; and Tung Siun, President of the Board of Revenue, and one of his Imperial Majesty's Secretaries for Foreign Affairs, - having met together for the purpose of exchanging the ratifications of the additional articles of the Treaty between the United States and the Ta Tsing Empire of the 18th of June 1858, which additional articles were concluded at the city of Washington on the 28th of July 1868; - and the respective ratifications of the same having been duly compared with the originals, the said exchange took place in the usual form.

In Witness whereof, they have signed the present certificate of exchange, and have affixed thereto their seals.

Done at Peking on the 23d day of November 1869, or the 8th year of the reign Tungchi, 10th moon, 20th day

Seals
&
Signatures

同治八年壹千捌百陸拾玖年拾壹月貳拾叁日

Copy

茲
大清國
欽命總理各國事務户部尚書董
大亞美理駕合衆國
欽命參贊統理全權事務大臣衛
各將去年同治柒年陸月初玖日即紀年壹千捌百陸拾捌年柒月貳拾捌日在華
盛頓議定續立之條約現經
批准之冊會同敬謹對驗均符原冊即日互換並鈐蓋印信書名畫押以昭永好為此立
據須至立據者

Seals & Signatures

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Disp. No. 69
Incl. 2.

Tung Siun, President of the Board of Revenue, and one of H. I. M.'s Secretaries for Foreign Affairs, herewith makes a communication.

It is already known to you that when Anson Burlingame, Chikang and Sun, the Envoys of His Imperial Majesty to the Treaty Powers, were in the city of Washington, they negotiated some additional articles to the Treaty of Tientsin; and that when W. J. Ross Browne, the late U. S. Minister, in his dispatch proposed that the Throne should be memorialized upon the subject, and a day be specified for exchanging the ratifications, Prince Kung replied that it was deemed best to await the return of the Embassy, when the whole matter could be fully

discussed

discussed and satisfactorily arranged.

Now, however, our Envoys having sent Wm. J. McL. Brown, their Secretary of Legation, back to Peking, he has most fully explained all the circumstances connected with the negotiation of these eight additional articles. Seeing that all their stipulations are advantageous to both nations, His Majesty's rescript has already been issued, directing that the affair be speedily arranged in order to show his appreciation of the great friendliness and cordial desire shown by the United States to strengthen our peaceable relations.

A memorial was accordingly presented by the Foreign Office on the 18th inst., and it was granted that His —

Majesty

Majesty should be requested to affix the Great Seal to these additional articles. A decree was also received appointing me to attend to the exchange of their ratifications

I suppose that, as Mr. Browne has returned home, all his functions have devolved on your Excellency, and that you are fully empowered to exchange these ratifications; and it is for this purpose that I now make this communication, to learn from you what day you decide to do so.

To His Excy S Wells Williams,

U. S. Chargé d'Affaires ad interim

Tungchi, 8th year, 10th moon, 17th day.

(November 21. 1869.)

Disp. No. 69
Incl. 3

Legation of the U. States,

Peking, Novem 22. 1869

To Tung Siun,

President of the Board of Revenue,

&c &c &c

Sir,

I have the honor to acknowledge the receipt of your dispatch, in which you speak of the additional articles of the [American] Treaty, which were negotiated by the Envoys of H. I. Majesty, the ratification of which it was deemed advisable to defer till their return to China; but that, as their Secretary of Legation had come back, it was now decided to conclude the matter without delay; and as you had been commissioned to conduct the exchange of the ratifications,

you

you wished me to name a time for meeting you for this purpose, &c. &c.

In reply, I may observe that in regard to the additional articles which were negotiated by the envoys of our respective countries, that as more than a year has already passed, any further delay in ratifying them is very undesirable. The President has already issued his commission for that purpose; but it is not the usage, when he has specially designated an officer to do it, as he did Mr. Browne in this case, for another to act in his place. However, as you adduce good reasons in your dispatch for completing the business at an early day, I will take upon myself to carry it out, and act in the place of Mr. Browne, in signing and

sealing

sealing certificates of exchange.

I will therefore meet you at the Foreign Office to-morrow at two o'clock, — when we can complete the exchange of ratifications with all formality

I have the honor to be,

Sir,

Your Obedient Servant

S. Wells Williams

DEPARTMENT OF STATE
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Legation of the United States,

Peking, Nov. 30. 1869

Sir,

The bearer, W. J. McLeavy Brown, Secretary to the Chinese Embassy, who goes by way of Washington to resume his post in that Legation, now takes charge of the ratified copy of the Additional Articles, and will deliver it to you in person. I adopt this mode of transmission in preference to sending it by Mail, as it will afford you an excellent opportunity to learn from him all the particulars connected with the exchange

Hon Hamilton Fish
Secretary of State

exchange of the ratifications, as well as any other points of interest in relation to this Government.

As directed by Mr. Seward, I have addressed a note to the Collector of Customs at San Francisco, requesting him to send you a telegram, notifying you of the date when the ratifications were exchanged.

I have the honor to be,

Sir,

Your Obedient Servant

S. Wells Williams

DEPARTMENT OF STATE RECEIVED FEB 1 1870

Ack. 25 Mch
Acknowledged
D: Pratt

Dispatch No: 70 - 2 Inclosures.

Legation of the United States,
Peking, Novem 30. 1869.

Sir.

I have the honor to send you an extract from the English version of a Convention signed last month by the British Minister, Sir Rutherford Alcock K.C.B. and the Chinese officials, containing many important modifications of the present British treaty; together with the translation of a dispatch from Prince Kung, informing me that it had been signed, but deferring the transmission of the Chinese text.

(Inclosures)

Hon. Hamilton Fish
Secretary of State

(Inclosures A. B.)

All western nations trading with China are under many obligations to the British Government for its long continued and earnest efforts, involving two or three wars, to enlarge their commerce and establish their intercourse with this Empire; and the discussions of its present Representative during the past twenty-two months in respect to various modifications, desirable and undesirable, possible and impossible, of the existing treaty, and the privileges he has succeeded in embodying in this Convention, have largely added to those obligations. The United States are, perhaps, more than any other nation, interested, therefore, in what is done by

British

British diplomatists to open this trade or relieve its burdens. My impression in respect to the future trade with this country is, that it will gradually pass more and more into the hands of natives; and that whatever facilities may be arranged for its extension in the interior, Chinese importers will derive the chief benefit, as their countrymen become better acquainted with and able to buy foreign fabrics.

But my present object is not to theorize; rather to give you such explanations of these articles as seem to be necessary for their better understanding, so that you may judge of their adaptation to the American trade.

The IIId Article, in stipulating that cottons, linens, woolens, and cotton mixtures,

are

are to pay both import and transit dues at entrance into the country, and to be exempt from other charges in all those provinces having open ports, meets a peculiar feature of the Chinese fiscal system which has ever proved a barrier to all trade – the law that every province must raise its own revenue. The open ports are in six maritime and three – Yangtsz provinces, and constitute nine of the most populous and industrious – out of the eighteen.

It is supposed that these kinds of goods can everywhere be recognized as foreign, and that the Chinese purchaser at the port will be able to maintain his right to pass them free at all the douanes throughout the province. But I doubt

whether

whether it can be carried thro' at present, for such a long established usage cannot straightway be altered; yet when foreigners once begin to carry their goods through the toll-gates free, natives would soon be permitted to do so. Perhaps, the difficulty of distinguishing these from other fabrics in a large assortment of goods, or the demands of officials when a trader is weak or pressed for time, or the existence of disturbances calling for local exactions, may neutralize the article, but the principle is admitted. that they ought not to pay more.

I have heard that the increased charge on British fabrics under this article will amount to about £1.200.000 stg. per annum, but if the internal tax is thereby even half avoided, the trade will

gain.

gain. But even if allowed to go thro' the province free, these goods and all other kinds ought now, by treaty, to go to their remotest consumer with no other charge than the 2½ per cent. transit duty; yet I have my doubts whether any of them will usually be permitted to pass into another province without tax, – at least when in native hands. It is within your remembrance when the Zollverein league in Germany succeeded in abolishing a similar internal tax on goods going from one principality into another; and we can only expect the gradual centralization of such charges in China, as her rulers see that their revenue is not impaired. This article has been much discussed by the negotiators, and though the difficulties

in

in carrying it into effect are not small, it seems to be the best plan to lay the germ of a free internal trade thro' China.

Art. IV. tends in the same direction by requiring the maritime customs to refund all internal charges over half of the export duty paid by the merchant on his way to a port with native produce. Hitherto, very few foreigners have actually brought their goods from the interior, and I am inclined to think the merchants will find it does not pay, owing to unacquaintance with the language, higher charges for transportation, and other disabilities; so that one cannot say how much this rule of refunding over-charges will serve to diminish the cost of tea and silk — almost the only articles they will take a

troublesome

troublesome journey for.

The Vth article tries to regulate a traffic which it has been difficult to restrain or tax, and which is likely to grow apace. It has been estimated that more than a quarter of the 82,000 chests of opium which leave India for China annually, are smuggled into the country from Hongkong. That and Macao being free ports, they naturally become dépôts for foreign goods, which are taken away in native boats along the coasts. It seems to me that the trade of Hongkong in foreign articles that pay the transit due on importation will increase, for how can it be decided that a piece of cotton has paid the legal charge of 2½ per cent., or has been introduced from Hongkong, when it asks to go

through

through an inland douane?

The existence of two free ports so near the coast of China gives rise to continued violation of its fiscal laws, with their consequent strife, or to an easy-going negligence and loss of revenue. The Canton authorities once endeavored to come to an understanding with those of Hongkong in respect to some arrangement to restrain the smuggling going on in the neighboring waters; but the reception which their agent received was so much like that which Mr. Hoar of Massachusetts received when he went to Charleston to inquire into the position of colored sailors, that they have never ventured to send another. The regulation in this article as to native produce shipped from or thro' Hongkong

is

is calculated to avoid trouble in that branch of traffic, which is a very small part of the whole business of the port.

Art. VI. proposes that the port of Wänchau in the province of Chekkiang about 150 miles south of Ningpo, shall be exchanged for Kiungchau in the island of Honan. An attempt has recently been made to open the latter port, of which W. Browne wrote you at length last spring (Disp. N°. 41); but I suppose that it is not likely ever to become of much consequence, and the substitution of Wänchau will be an advantage rather than otherwise, by obtaining access to a populous and temperate regeon where foreign fabrics are more likely to be called for than in the tropical island of Hainan. It has a good

harbor,

harbor, and the country back of it produces tea which now finds its way to Fuhchau. I regard the change as desirable, but I suppose the Chinese authorities would not object to opening both of them if their revenue compensated for the outlays incurred in maintaining customs' officials.

In Art. VII, provision is made for the registration of foreign-owned Chinese craft and putting them on the same footing as foreign-built vessels; and also for the classification of floating hulks and storeships among craft liable to pay tonnage-dues. The greater portion of the foreign shipping in Chinese waters now pays tonnage-dues thrice a year, as all vessels trading hence to Japan, the Amoor river, Saigon, and Manila, are regarded as coasters;

and

and the effect of the rule will be to make one time for all vessels, without any perceptible loss of revenue. The hulks have hitherto paid nothing, and taken up much room in some ports; so that no one can complain of a rule like this applicable to all shipping.

The next article is rather vague in its provisions as to the principle of fining for false manifests, while no penalty is attached to the infraction of the first clause, which likewise ought to be finable. If a shipmaster knows his manifest to be wrong, the treaty already allows him a day in which to correct it, and avoid a fine even after it is handed to the Collector; but the effect of this new rule is likely to be, that the foreigner will

will plead "circumstances" to get off from paying any fine, and the customs will feel that manifests can be cheaply trifled with. The treaty as it stands seems to me adequate to restraining the falsification of manifests, but the fine of 500 taels might be reduced to a smaller maximum, or our own law working forfeiture of the goods not manifested be adopted.

Art. IX. contains the leading feature of the code of regulations to be observed in cases of confiscations (See Disp No. 17, July 2. 1868), and has already received the approval of the Department. It is well to embody it in these articles, and give it the sanction of a treaty. The last sentence relating to a commercial code will require years to be developed and

reduced

reduced to practice; but as the authorities are somewhat acquainted with the plan, they will by and by see the desirableness of a body of well defined rules by which to adjudicate commercial questions. Yet the need of the code is still not so pressing as to demand haste, which may impel the Chinese to adopt what they do not understand nor feel the want of.

In Art. X. one of the rules now in force in respect to pilots is put in the treaty; but it would perhaps be better to let the whole code of pilot regulations stand by themselves, and this article give the Chinese the right to manage the business of pilotage, than merely insert one or two of the principal rules. This

article

article does not cover the whole ground, which after all, in my view, hardly belongs to a treaty beyond its general recognition and distribution of the controlling power where it properly belongs.

The due restraint of ships' crews has always been a difficult matter in Chinese ports, where temptation besets the sailor on water and on land; but the improvement within the last ten years over the experience of twenty or thirty years ago, when parties of reckless men stimulated by liquor went to every excess of riot, robbery, and wounds, is greatly owing to keeping crews on board ship. However, there has been culpable negligence on the part of all foreign nations in duly restraining vagrant sailors in Chinese ports.

The

The custom-house regulation contained in Art: XI. is a good one, and the limit of three years for reëexportation of foreign goods with a drawback extremely liberal. It has heretofore been the rule that all drawbacks should be paid in certificates, which sometimes could not be immediately cashed, but this alteration will be advantageous to shippers. The words Haikwan Bank refer to the Government bank connected with the hai-kwan or custom-house.

Art. XII. must be regarded as the most important of the whole as containing the initiation of the right and practice of residence in the interior of the country. The difficulty all along has been, and will continue to be, in carrying this right

right into practice, the ignorance of the language by the foreigner, and his ways and ideas being strange to the people. A foreigner traveling thro' the country now usually depends on his native servant, (who himself perhaps imperfectly understands the language of his employer,) for making known his wants or getting information; and erelong, it may be, this servant is found to have used his master's name or assumed title to intimidate the officials and extort from the people for himself. The amplification of this article in Rule 7th is guarded as well perhaps as it can be, but shows the perplexity and apprehension of the officials in respect to its practical working. I think the advantages will

be

be found to outweigh these drawbacks, — though the intercourse of this kind will for a long time be sporadic and limited. The dépôts of large trade in the interior are few, the inhabitants in many places bear a dislike to foreigners, the annoyance of crowds is sometimes more serious than irksome, and the people will be found to have few available commodities and little cash with which to buy foreign fabrics and wares.

The increase of the duty on opium from thirty to fifty taels per chest finds little favor among the merchants; one consequence will probably be an increase of smuggling from Hongkong and Macao, but in a lawful trade, the rate is not more than 6 to 8 per cent. ad val. on the sale price at landing.

The

The opium trade with China now nearly equals in value the export of tea and silk, or about sixty millions of dollars annually; it also yields the people of India about eleven millions sterling,—just about as much as its sale value to the importers in China—and forms one of the main sources of revenue to the Indian empire. Its lucrative freights support steam communication throughout the East, and its destruction or decay would alter the course of commerce between Great Britain and China. If it were to cease, the staples of China, instead of being paid for by an article produced chiefly on British territory and forwarded in British vessels, must be bought with bullion purchased in American states, or else with an increased consumption

sumption of fabrics demanded by those who now destroy themselves with the drug. Lord Mayo's Government has been introducing some changes in the supply, equivalent to a reduction of export duty, in order to compete more successfully with the Chinese cultivator, and maintain the monopoly of the trade

In Bombay, the export duty is 600 rupees a chest: but in Bengal, the ryot is required to take 400 rupees for each chest of a peculi weight he raises, and the Government sells the produce at an upset price by monthly sales. It is now estimated that the native growth in China reaches the foreign import of 80.000 chests. but so largely has the consumption increased in this land, that it is only

within

within eighteen months past, that the prices of the Indian article have been affected. The decline still goes on, and the budget for this year shows a deficit of 2½ millions sterling on this source. The question therefore is discussed, whether to lower the duty or increase the cultivation, both having in view the maintenance of the trade against the Chinese growth.

The increase of revenue to the Chinese from the higher duty, allowing for 25.000 chests smuggled from Hongkong, is estimated at £350,000 and upward, the greater portion of which will, on this reasoning, really be abstracted from the Calcutta exchequer. The present revenue at the seaboard customs is about a million sterling, but opium can be "squeezed" – as the native

native phrase is – to any extent by native officials, and sometimes pays a tax of 25 per cent. before it reaches the consumer. However the course of this trade may be in future, one result of this proposed alteration in the Chinese tariff will be, I hope, the cessation of the monopoly in India, and the release of thousands of acres and myriads of peasants from the forced growth of opium, to be permitted to raise produce beneficial to all.

In Art. XIII, in exchange for doubling the duty on raw silk, which it can well bear, the Chinese have opened another port on the Yangtsz', Wu-hu, on its southern bank between Nanking and Kiukiang, and one of its largest marts before it was destroyed by the Taipings. The trade there

is

is not likely to be very important, but the passenger traffic will be large.

The exemption from duty of articles for household use and the repairs of ships, sometimes places the foreigner in a better position than the native in respect to such things, and the extension of the present list cannot reasonably be urged, even though they are not for sale. The reduction of the duty on watches had already been published (see Disp. No. 28, June 1, 1869) but that on pepper, tin and timber will be a benefit to those trades.

The difficulty intended to be removed by the XIV^th^ article is not easily reached by any regulation, for it arises out of the miserable bullion currency of the Chinese, wherein the perplexity caused

caused by various degrees of purity in the silver is increased by four or five different standards of weight for its payment. The Government demands perfectly pure silver in payment of duties and taxes, but the usage at the custom-houses has been to pay sycee, and make up for its deficiency in purity by a premium. The ability to decide this purity by the touch-stone is entirely a Chinese art, and no doubt it becomes a means of trickery in the hands of skillful adepts, which this rule, so far as foreigners are concerned in paying duties, will enable them to decide by some well-known standard.

The rule requiring transit-passes and passports to be returned within a year from their date, has become more

necessary

necessary than ever, since it has been ascertained that foreign merchants at one port were in the practice of taking out transit-passes to sell to the natives to cover their produce going through the country. Among a shrewd people like the Chinese, we find that all the precautions that can be taken are inadequate to prevent diminution and frauds on the revenue; but after ten years' trial, the success of the trade regulations, and the few cases of complaint which arise at the thirteen ports open to our trade, speaks well for the desire of Chinese officials to carry it on legally, — and inferentially, too, for their satisfaction with their foreign employees in the Customs.

I

I cannot extend these remarks any further at present for want of time and you will in fact derive the best idea of the results of Sir Rutherford's labors from the articles and rules themselves. With the exception of the two about manifests and pilots, which I think could be made more definite and comprehensive, they commend themselves to general adoption. In case the United States' Government agrees to them, it may be a question worth consideration whether it would not be best altogether to modify our present Treaty to meet the changes and enlargements since it was signed. At present it does not cover nearly the whole ground of our privileges

or

or obligations, many of which are derived through the favored-nation clause.

As the provisions of this Convention are important, I shall try to ascertain more details in relation to their expected operation for your information

I have the honor to be

Sir,

Your Obedient Servant,

S. Wells Williams

Disp. N: 70
Inclosure A

Extract from the Supplementary Convention to the Treaty of Commerce & Navigation of June 26th 1858. between Great Britain & China.

Article 1.

China having agreed that British subjects shall participate in all advantages accorded by Treaty to the subjects of other powers, it is further agreed that British subjects desiring to participate in the advantages accorded by Treaty to the subjects of other Powers shall participate in such advantages on the same conditions on which they have been accorded to, and are participated in by the subjects of such other Powers.

Article 2.

China having agreed that England may appoint Consuls to reside at every port open to trade, it is further agreed that China may appoint Consuls to reside at all ports in the British dominions.

Article 3.

It is agreed that commodities of the following classes and denominations, viz: cottons, linens, woollens, and cotton mixtures &c. &c. imported by

by British Merchants shall pay both Import duty and Transit due simultaneously at the time of importation.

On the other hand, China agrees that the above menhoned commodities imported by British Merchants and having paid Import duty and Transit due simultaneously at the time of importation shall be exempt from all other taxes and charges whatsoever in treaty port provinces.

Article 11.

It is agreed that native produce purchased in the interior by British Merchants furnished with the documents prescribed by the Supplement any regulations shall pay all inland dues and charges on its way to the treaty ports.

On the other part, China agrees that any such native produce having paid all inland dues and charges on its way to the port from the place of

of purchase, shall be entitled to the return of any amount that may have been thus paid over and above the Treaty transit due (half export duty) provided exportation by British Merchants to foreign ports takes place within twelve months.

It is further agreed that native produce shipped to another treaty port shall not be entitled to such refund.

Article 5.—

It is agreed that Chinese produce shipped from Hong Kong to a treaty port shall not be carried inland under the transit rule, but shall pay duties, duties and inland charges like all other native produce at all barriers passed.

On the other part China agrees to issue to native produce shipped by British Merchants from Treaty ports to Hong Kong the ordinary export duty-proofs and to collect on such produce on arrival at a second treaty port the ordinary

Coast

coast trade (half import) duty.

Article 6.

It is agreed that the port of Hêu Chow in the Kiang shall be opened to British trade, and that Kiung Chow named in the Treaty of Tientsin shall be removed from the list of treaty ports.

Article 7.

It is agreed that British merchant vessels shall not be called on to pay tonnage dues of more than once in four months.

On the other part England agrees that British merchant vessels of every description, whether used for the transport or tonage of merchandize, conveyage of passengers or residence (merchant ships, hulks, chops &c &c &c) as well as all craft of the Chinese type owned by British subjects shall pay tonnage dues according to their tonnage if trading from Port to port, on the expiration of their special Certificates, and if used as hulks in port on the expiration of the term of four months, as the

Case

case may be.

Article 8.

It is agreed that all British merchant vessels shall report to the Customs their port of destination, and shall hand in export manifests when about to clear. On the other part, China agrees that the amount of any fine for false manifests, when British subjects are concerned shall be determined in accordance with the special circumstances, and shall not in any case exceed the sum of 500 taels.

Article 9.

It is agreed that in all cases of fines arising out of breaches of Customs Regulations, the Superintendent or the Commissioner of Customs may have a seat on the bench and take part with the British Consul in enquiring into the case, and that in all cases of confiscation arising out of breaches of Customs Regulations the British Consul may have a seat on the bench, with the Superintendent or Commissioner of Customs, and take part in

in enquiring into the case. It is further agreed that England and China shall in consultation draw up a commercial code.

Article 10.

On the one part, China agrees to issue licenses to pilots.

On the other part England agrees to punish British subjects piloting, or who employ persons piloting without a license

It is further agreed that effect shall be given to the stipulation of the Treaty of Tientsin that "for the due restraint of crews of ships" regulations will be drawn up by the Consuls and the local Authorities.

Article 11.

It is agreed that Drawbacks issued to Foreign goods re exported by British merchants to Foreign Countries within three months from the date of importation shall be convertible (at the Haikwan Bank) into Cash.

On the other part agrees that Foreign goods re-exported by

by British Merchants to foreign countries after the expiration of three years from the date of importation shall not be entitled to drawback of Import duty.

Article 12.

It is agreed that opium shall pay import duty at an increased rate.

On the other part China agrees: (1) that British subjects holding passports may use their own vessels resembling Chinese craft and propelled by oars or sails when visiting non-treaty ports or places in the Interior: (2) that Bonded Warehouses shall be established for British subjects at such treaty ports as may be expedient: (3) that the Superintendent of Customs at Kiu Kiang shall provide a tug for the use of British owned Chinese-like boats on the Poyang and on the vicinity of Hankow: (4) that bonds entered into by British Merchants for the re-export of teas shipped from Yang-tsze ports, shall as an experiment be done away with: (5) that the Imperial

Commissioner

Commissioner in the South shall open Coal Mines at two or three places: and (6) that the duty on native coal exported by British Merchants from the Southern ports shall be reduced.

Article 13.

It is agreed that silk shall pay export duty at an increased rate.

On the other part China agrees: (1) that Wuhu on Anhui shall be opened to British trade: (2) that foreign grain may be re-exported and without payment of duty by British Merchants: (3) that materials used by British subjects in docks for the repairs of British vessels shall be exempt from duties: (4) that the list of duty-free goods for British household use and ships' stores shall be revised: (5) that foreign coal and guano imported by British Merchants shall be free from duty: and (6) that import duties shall be reduced on watches, pepper, black and white, tinplates and

and timber imported by British subjects.

Article 14.

It is agreed that each Custom House shall draw up rules fixing the touch of Sycee to be received in the payment of duties, by the Taels at each port. It is further agreed that the various documents issued to British subjects (Transit papers, Passports &c) shall be returnable at the expiration of one year from the date of issue.

Article 15.

It is agreed on both parts that the articles untouched by the present Revision shall be hereby declared to be renewed and confirmed, and that the revised version shall rule in the case of such articles as the present Revision affects.

Article 16.

The present Convention shall be ratified, and the ratification shall be exchanged at Peking as soon as possible.

Supplementary Rules and Tariff

Rule 1.

1st The Convention permits certain specified commodities of foreign origin, viz: Cottons, Linens, Mixtures, &c. &c. &c, &c. to circulate freely in treaty port provinces without further liability to inland dues or charges, on payment simultaneously of Import duty and Transit due at the time of importation. When taken inland by British Merchants in person or by Chinese, the Agents of British Merchants, or by Chinese purchasers, while the British Merchant will be required, as prescribed by the Treaty of Tientsin to travel provided with the usual Passport, the commodities aforesaid need not be accompanied by any Transit Certificate and may be sold freely and at pleasure along the road, without being in any place called on to pay further dues, duties, or inland charges. The various Customs stations passed by such

Commodities

commodities will, however, make such examination as is usual in order to provide against fraudulent substitutions and the transport of prohibited articles.

2° With the exception of those classes of commodities which are to pay Import duty and Transit due simultaneously, all other foreign merchandise carried inland will continue to be exempt from all dues, duties and charges en route provided, having paid full import duty on importation and the Tariff transit due when leaving the port to enter the interior, it is found to be accompanied by the ordinary proof of payment of Transit due, namely, a Transit Certificate. Such goods will be liable to all dues, duties and charges, wherever found inland if unaccompanied by Transit Certificates. Both British and Chinese Merchants will be treated in accordance with the provisions herein set forth.

3° When the commodities specified in the first

Clause

clause of this Rule are carried inland in treaty port provinces by either British or Chinese merchants, and when such commodities are accompanied by other foreign merchandize of the class provided for in the second clause of this Rule, the latter merchandize will be liable to all inland dues duties and charges if not provided with Transit Certificates. Failure to report the presence of any such uncertificated merchandize when passing Custom Stations, or any attempt to defraud the revenue by by carrying native produce in that guise will subject all the goods of the same description to seizure and confiscation.

4th When commodities of the kinds specified in the first clause of this Rule, and which simultaneously paid Import duty and Transit dues are to be conveyed by either British or Chinese merchants to non-treaty port provinces, Transit Certificates should be procured from the Customs at

at the port started from on the face of which will be distinctly set forth the name of the place for which the said commodities are destined. On their way from the port to the place thus set forth in the certificate, such certificated commodities will be exempt from all liability to dues, duties, or inland charges. But in the event of its being discovered by any Customs' stations that may make examination, that the merchandize contained in the packages is different from the commodities set forth in the certificate, or that the certificate is for a less quantity than it is accompanied by, the goods concerned will be confiscated. On the arrival of such duly certificated commodities at the place set forth in the certificate, the certificate will become invalid, and the commodities having arrived at their place of destination, will be liable to whatever inland charges, dues, or duties, the locality they are found in collects, and will henceforth be treated

treated like native produce in the localities concerned.

Rule 2.

1°. British Merchants whether going in person or sending Chinese agents into the interior for the purchase of native produce should first obtain from the Customs a blank memorandum. The native produce purchased will be liable to all inland Charges, dues and duties on the way to the Port just like any other Chinese goods in Chinese hands. On the other hand each Customs Station or Barrier will be required to certify to the receipt of the amount of dues, duties, or charges thus collected, by making an official and duly sealed entry on the face of the blank memorandum. Any sale in transitu of the native produce to which the blank memoranda refer will be punishable in accordance with the regulations.

2°. On the arrival of such native produce at the last

last Barrier, the merchant is to report its arrival to the Commissioner of Customs, and the goods are to await examination. The memorandum brought back from the interior is at the same time to be deposited with the Customs. Should such native produce be exported to a foreign port (Hong Kong excepted) within twelve months from the date of arrival, the exporter will at the time of exportation pay the usual export duty, and — as regards inland charges — while, on the one hand, the exporter will be called on to make up the amount by which the sums entered on the memorandum fall short of a treaty transit due (half export duty) on the other the Customs will refund to the exporter the amount by which such sums may be found to exceed the treaty transit due. Should the Produce be shipped for conveyance to a treaty port, no make up will be called for, and no refund allowed.

Rule 3.

Foreign goods re exported to a foreign country within thirty six months from the date of arrival, if found to be in their original packages with marks and numbers unchanged will be entitled to receive the refund of the sum paid as Import Duty by a Drawback which shall be a valid tender for payment of other duties (Tonnage dues excepted). Goods re exported after the expiration of the said thirty six months shall not be entitled to receive such Drawback. If re exported within three months from the date of arrival, a Drawback certificate will be issued at the Customs House which on presentation at the Customs Bank will be convertible into cash. Goods re exported after said term of three months will not be entitled to receive such convertible drawbacks. As regards native produce, Drawbacks for Coast Trade Duty will continue to be issued when the produce is re shipped within twelve months from the date of arrival. If re shipped after the expiration of

of that term, native produce will not be entitled to any drawback of Coast Trade Duty.

Rule 4.

British merchants will be allowed one months grace for the return of such documents as they may have taken out when going Inland (Passports, Transit Passes &c). All such documents become invalid on the expiration of twelve months from the date of issue, and, if not returned within thirteen months from that date, the applications of the parties concerned for other documents will not be attended to.

Rule 5.

At such of the Treaty ports as may be expedient Bonded Warehouses will be established, and Regulations for their working will be drawn up by the Inspector General of Customs and the Superintendent at the ports Concerned. Where sufficient reasons for the non-establishment of such Bonded Warehouses exist, they will not be introduced.

Rule 6.

The Superintendent of Customs at Kiu Kiang will provide a Steam Tug for the use of British Merchants on the Poyang Lake and between Hankow and Kiu Kiang. The tug in question will be for the towing of British owned vessels of the Chinese type and a tariff of fees will be published, in accordance with which merchants, whose boats may be towed, will pay the Kiu Kiang Customs for that service.

Rule 7.

British Merchants who may go inland, duly provided with Passports, to sell foreign goods, purchase native produce, or carry native produce into the interior for sale, are permitted to use their own vessels of the Chinese type, and propelled by sail or oar, and when in the interior are further permitted to rent for short periods either hotels or private houses, where they may store their goods, but on which they are not to exhibit their Hong name or the style of their firm.

firm. Native produce purchased in the interior and entered on the memorandums for conveyance to a port must not be sold in the interior. In the case of the inns or private houses thus rented from the Chinese, the British Merchant is not to interfere to protect the landlord from the incidence of the taxes and charges for which his house or property is assessable. The Chinese of the locality must not annoy or maltreat the British merchant.

and proclamations setting forth all that precedes have been prepared and will be sent to the Governors general and Governors of the provinces for publication everywhere.

As regards vessels of the Chinese type owned by British merchants, and used by them to go from port to port or places in the interior, each such vessel must be registered at the Custom House where the Commissioner of Customs will issue a Certificate of Registration and the flag to be sailed under the certificate to be countersealed by

by the Superintendent. Such vessels must exhibit the flag received from the Customs, and comply with the special rules and regulations drawn up for their management. Any vessel unprovided with a Certificate of Registration detected in the fraudulent use of a flag resembling the Customs flag, or flying the house-flag of any foreign mercantile firm, or having a Certificate and flying the flag of any foreign country, will be subject with the cargo to confiscation.

Rule 8.

The Imperial Commissioner superintending foreign affairs in the south will enquire into the condition of Kin Ying Lo Ping and Ke Lung and will depute officers to work the mines at those places as an experiment. The question of the employment of foreigners to assist in mining and of using foreign machinery will be left to be given effect to by the Imperial Commissioner. The coals produced will be for sale to British and Chinese Merchants without distinction

distinction.

Rule 9.

The rules appended to the Tariff attached to the Treaty of Tientsin enumerated the articles that are to be admitted free of duty for household use and as ships' stores. A Revised List is to be drawn up by the Inspector General of Customs and will be hereto appended, of the articles that are thus to be admitted free for the use of British subjects. Should such articles be carried inland they will be dutiable in accordance with the rule and practice that formerly obtained.

Rule 10.

Docks owned by British Merchants will be permitted to import such articles as they require for the repairs of ships free of duty: but, on newly built vessels there will be levied a duty of five per cent ad valorem.

Before being entitled to the privilege of importing their stores duty free, such docks must be registered at the Customs and the owners must enter into such

such bonds as the Customs in question may consider necessary for the protection of the revenue.

A list of the articles to be imported duty-free will be prepared by the Inspector General of Customs and appended hereto.

Tariff.

Imports

Watches émaillés a pendule per pair Tls 4.5.0.0

" Gold " " " " 1.0.0.0

" Silver " " " " 0.5.0.0

Pepper white per 100 Catties " 0.4.0.0

" black " " " " 0.2.0.0

Tin plates " " " " 0.2.0.0

Grain foreign } free whether imported or exported

Coal " } but to take out permits in accordance

Guano " } with the Customs regulations.

Timber } a reduction to be made of two mace at Shanghai

Opium } per 100 Catties Tls 30.0.0.0.

and to be dealt with in accordance with the special rules respecting that drug.

Exports.

Silk raw or Thrown per 100 Catties Lbs 20.0.0.0

" Yellow from Szchuen " " " 10.0.0.0

Coal native at the Southern ports " " " 0.0.0.5

" " " " Northern " " " " 0.0.4.0

Disp. No. 70
Inclosure B.

Tungchi, 8th. year, 9th moon, 22d day

October 26th 1869.

Prince Kung, chief Secretary of State for Foreign Affairs, herewith makes a communication.

In the treaty with Great Britain negotiated in June 1858, it is stipulated "that either of the high contracting parties "to this treaty may demand a further re- "vision of the tariff, and of the commer- "cial articles of this treaty, at the end of "ten years." The British Minister, Sir Ruth- erford Alcock K.C.B., in January 1868, ac- cordingly proposed a consultation upon the stipulations of the treaty, having in view their modification and improvement, and the Foreign Office agreed thereto and opened negotiations upon such articles

as

as required it, which were prolonged from Jan. 1. 1868 to Oct 23. 1869. Sixteen articles were agreed upon by the contracting parties to be modified, ten new commercial regulations, and more than that number of alterations in the tariff, were settled, and they signed and sealed them on the last named day.

Deferring for the present any further details respecting the new articles, or the alterations in the commercial regulations and tariff, I now simply inform your Excellency that the treaty with Great Britain has been revised, and the convention signed and sealed by the contracting parties.

To His Excellency

S. Wells Williams

U. S. Charge d'Affaires ad interim

Rec'd Dec. 7th. Fish. and letter to Mr McKinney
Did so promptly
Mr Pratt

Unofficial Letter sent to Mr McKinney 5th March 1870

Legation of the United States

Peking, December 3. 1869

Sir,

I have the honor to acknowledge your unofficial letter to Mr Brown of June 21st 1869, inclosing an application from James P. McKinney a graduate of Rochester University, for an appointment in the Imperial Customs' Service, and furnishing numerous testimonials of his qualifications.

I have recently presented your letter with all its inclosures to Mr. Hart for his perusal, and have reason to infer that Mr McKinney's application will

Hon Hamilton Fish,

Secretary of State,

&c

will be favorably considered when there is a vacancy

I have addressed a reply to the young man's father, quoting Mr Hart's answer to me, and beg the favor of having it forwarded to him. It is all that can at present be said on the subject

I have the honor to be,

Sir,

Your Obedient Servant

S. Wells Williams

"Copy"

Legation of the United States.
Peking, 3rd December 1869.

O. E. McKinney, Esqre
Rochester. N. Y.

Dear Sir.

Your letter of
July 17. 1869. relating to an
application of your son to
enter the Customs service under
Mr Hart, was forwarded by the
Secretary of State that month,
to Mr Browne, but was detained
by the postmaster at San
Francisco till Mr Browne
reached that city, in
September

September. He then sent the cover with all its contents to me, but it did not reach me directly, so that it was not till late last month that I was able to present your application to Mr. Hart.

In his answer of the 1st instant he says:-

"I have the honor to acknowledge receipt of your letter of 22nd November, relating to Mr. McKinney's desire to obtain an appointment in the Customs service, and in reply to state, that I am not at present adding to the number of employés

but shall keep Mr. McKinney's application in remembrance."

This answer, of course, leaves the point wholly undecided, but from what I learned in conversation just on Mr. Hart's departure on an inspection of the various ports. I am inclined to think he may see the need of some new students who will be able to learn Chinese better than some now in the service, and may accept your son. I only add this remark, so that if he is at liberty to keep himself free, he may by and by be accepted.

but

but the number of applications for this line of life would surprise the Chinese high officials to learn how many persons of of all nations were desirous of serving them, if they knew of it.

I am, Dear Sir

Respectfully

Your obedient servant

S. Wells Williams

Rec 25. July.

Ack 25 Mch

Admr Pratt

Disp. No. 71.

Legation of the United States.

Peking, December 18. 1869.

Sir,

About a month since a circular was received from the Foreign Office, stating that Mao Chang-hi, one of the Presidents of the Board of Works, Shin Kwei-fän, a chief Censor and a member of the General Council, and Ching-lin, under Secretary of the Foreign Office, had all been appointed members of that Board, and had entered on their duties.

The first two of these officers are Chinese who have not hitherto been brought into contact with foreigners,

the

To Hon. Hamilton Fish

Secretary of State.

the third is a Manchu who has been connected with the Foreign Office almost from its establishment, and therefore well acquainted with the proceedings of Government in its foreign intercourse, and able to take an active and intelligent part in that department.

Mao is a native of Honan province, and has the reputation of being an efficient and severe officer. During the last reign, he was a member of the Censorate, and by his earnest representations and exposures, procured the degradation of the ti-tuh or commandant of Peking, whose exactions and malfeasance had aroused universal hatred in the minds of the people, but as he was supported by Suh-shun, the unworthy favorite of the late Emperor, it was rather

hazardous

hazardous for any one to denounce him, — which made Mao's success in getting him removed the more popular. Last year, Mao also gained additional celebrity by his zeal in suppressing a foolish exhibition of a female incarnation of Budha, a scheming woman who had gathered around her many followers, and gave out that her sanctity and super-natural gifts made it desirable to worship her and bring offerings to her shrine. The delusion was well managed and attracted great crowds, when Mao, armed with authority went to the temple where she exhibited, arrested her as an impostor, imprecating upon himself her worst curses, and had her banished.

Shin Kwei-fän has held the post of literary chancellor and governor of the next province Shansi. He is now at the head of

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the Censorate and a member, with Wänsiang and Pao-yun, of the General Council, both of them influential posts, and giving him cognizance of every important act of Govern-ment.

It is surmised that these three appointments are preliminary to the re-tirement of three present members of the Foreign Office, one of whom has in fact already gone home on account of his age and infir-mities, - I mean Sen Ki-yu, the celebrated geographer, who also held the post of rector of the Peking College. The health of Wän-siang is so precarious, that he is compelled to ask for repeated furloughs, and the rumor of his resignation has been circulated; he has not been out of his house since October in consequence of an attack of bronchitis. The

other

other member is the old general Tsunglun, - now seventy-five years of age, who is unable to take an active part in the duties of the various posts he fills. It is good policy to bring in new members while the old are still active; but every foreigner will regret the retirement of Wänsiang, and the loss of his discrimination and energy, and the just views he brought to the discussion of all questions.

In this connection, I think it will interest you to learn that our countryman, Wm. A. P. Martin D.D., known to you doubtless as the translator of Wheaton's International Law into Chinese, was last month appointed Director or President of the Tung Wän Kwan or Peking College, and has already entered upon his duties. He gave

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a short inaugural address to the pupils, at which four of the officials attended and several foreigners. This institution had very much run down during the past two years, and the officials took very little interest or oversight in it, though they still were unwilling to abandon the attempt to impart foreign languages and science to their youth. Since Dr. Martin has taken charge, he has been engaged in ascertaining the progress and standing of the pupils, and the whole aspect of things is gradually improving, and the usefulness of the enterprise more likely to repay its cost. There are four professors, foreigners, who teach the English, French and Russian languages and Chemistry, with one Chinese professor of mathematics. The number of pupils is between forty and fifty.

of

of whom the majority are Manchus.

I have the honor to be

Sir,

Your Obedient Servant.

S. Wells Williams

Read 25th. Feby. Acknowledge
Mr. Platt

No: 72 – 8 inclosures.

Ack

Legation of the United States,

Peking, Decemr. 20th. 1869

Sir;

I have the honor to send you a series of documents, marked 1 to 8, relating to a singular attempt on the part of the Chinese authorities here, acting thro' their foreign employés in the Revenue service at Niuchwang and Chifu, to modify a tariff rule relating to the export of beans and bean-cake; their entire failure in the attempt to restrict the trade, and withdrawal of their new regulation.

A perusal of the inclosed correspondence will furnish you with all the known facts, which are briefly as follows. The letter from Mr Knight, (Inc.

Hon. H. Fish 1.)

&c &c

1.) gave the first notice that I had of the intention of the Foreign Office to hamper the bean trade, and his interesting details respecting its extent, direction and management, throw considerable light upon the question. On receiving the notification from the Commissioner of Customs, he issued the following Circular, –

"U. S. Consulate, Newchwang, 26 Augt. 1869.

"With reference to the circular –
"regarding shipments of pulse to Japan, yes-
"terday made public by the Office of Maritime
"Customs, it devolves upon me to apprize all
"under my jurisdiction, that as no similar
"instructions have been issued to me by the
"Ministers of the United States, France, or
"North German Confederation, I am informing
"the Chinese authorities that they will be

"held

"held responsible for all losses that the enforce-
"ment of the prohibition may entail

"Francis P. Knight, Consul."

The British Vice-consul there issued a similar circular, so that an immediate conflict of powers existed which threatened to stop most of the traffic at Newchwang. I received no notice from the U. S. Vice Consul at Chifu, but I learned that a British ship left that port in defiance of the rule.

The order from the Foreign Office to Mr Hart, and his reply (Inclosures 2.3), show how unsatisfactory were the reasons brought forward by the officials to explain or excuse this sudden step; and how they persisted, - even against the remonstrance and cogent facts that were adduced to lead them to recall it. As soon as the Customs' circular

was

was received at the various Legations, there was only one opinion as to the impropriety and uselessness of the action of the Foreign Office. The British Minister circulated a draft of the dispatch he proposed to write to Prince Kung (Inclosure 4) in order partly to furnish the facts of the case to his colleagues, none of whom were in Peking when the restriction in the old tariff was taken off. They all joined him in protesting against even this partial reimposition of a needless rule, complained of the discourtesy shown in its secret promulgation, declared their intention to uphold their consular officers, and asked that it be withdrawn; as they could not assent to it.

My dispatch (Inc. 5) had been in the

the hands of Prince Kung a week, when it came back to me resealed, with the following note from the chief Under-Secretary in the Office:-

"September 25. 1869"

"I have the honor to acknowledge "the receipt of Y. E. dispatch, referring "to a recent order from this Yamun, - "prohibiting the direct exportation of "pulse and bean-cake to foreign countries "from the ports of Niuchwang and Chifu; "and to reply, that on receiving it I - "handed it up for the inspection of the high "officers, who having read it, directed me "to make the following reply:-

"Some dispatches were recently "sent to the Superintendants of Trade for "the northern and southern ports, in which "several

"several topics were proposed for their considera-
"tion and examination, among which was the
"export of pulse and bean cake. The Foreign
"Office has sent no dispatches to the Foreign
"Ministers about it, and it would have been
"proper before writing thus, that the Cus-
"toms' officers at those ports should have
"sent in their representations that some
"change was desirable. The Foreign Office,
"however, had just taken up the subject to
"revise its action, and instructions have been
"sent to the Superintendants of Trade, and
"orders to the Inspector-general, the parti-
"culars of which would have been made
"known to the Ministers in a few days. As
"there are no grounds for suspicion in this
"matter, you will return them their several
"dispatches, so that no evidence shall remain

"on

"on record of any disagreement upon the sub-
"ject, and explain the reason for doing so in
"a note.

"I accordingly now reseal your Excel-
"lency's dispatch and return it."

Card of Chinglin

If the Chinese officers had at once frankly owned that they had made a mistake in so hastily issuing their orders to the Inspector General, and had already taken measures to repair it by cancelling them, I think all the Ministers would have been willing to regard their protests as non avenue, and let the thing pass as a blunder. But this awkward and unsatisfactory explanation was rejected, and all the original documents were returned to Prince Kung.

His reply (Inclosure 6) was delayed. I

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suppose

suppose, to receive answers from the two ports; but although it restored the trade in pulse to its original status, the reasons given for the attempted change, - that it was at the option of the Imperial Government to modify the concession, or reimpose the first prohibition, as it pleased, are both unsound; and the excuse for withdrawing the order, - that the crop of pulse in Manchuria is so large as to render all restrictions on its export unnecessary, is frivolous and was known beforehand. The affair shows too that the rulers here have much to learn, and that the presence of the foreign Legations restrains them, and probably prevents many similar and more disastrous attempts.

7 My letter to the U. S. Consul (Inc. 7) was written on learning that the restriction would

would be rescinded; and you will notice that he states that the Commissioner of Customs gave notice (Inc. 8) of it at Niu-chwang before Prince Kung's answer was written.

I have heard no plausible explanation of this proceeding. Whether the high officials wished to try their position in regard to a doubtful regulation in the tariff; or, in their desire to accede to a strong representation on the part of the shippers and owners of the junk fleet, which carries away as much or more of this produce than the foreign vessels, proceeded without due caution; or whether, as Chinglin's note intimates, they actually issued it as a rule, when they had only intended to ascertain how it would work, are all suppositions that may each have had

had its influence. I am inclined to regard the mistake as a trivial one, as it is the first; and it is no doubt somewhat irksome to men situated as these dignitaries are, and with their former training in the exercise of unquestioned power, to learn how their free if not unscrupulous action is hampered by treaty stipulations. Their experience in this instance will not encourage a repetition of the attempt.

I have the honor to be,

Sir,

Your Obedient Servant,

S. Wells Williams

Disp. N:72
Inclosure 1

United States Consulate
Newchwang 28th August 1869

Sir

Having reference to a recent determination of the Tsung li yamen, prohibiting the export of Pulse and Pulsecake from the ports of Newchwang and Ting chow, to foreign countries! - I have the honor to hand you enclosed herewith, copies of the following papers, viz: "a letter addressed to me by the Commissioner of Customs, dated the 26th " instant," enclosing copy of, a "Circular from the Inspector General of Maritime Customs, to the Commissioner at this port;" also copies, in chinese, of the Tsung li yamen's despatch to the Inspector General, Mr Hart," and copy of "Mr Harts reply, to the Yamen;" to which enclosed copies I attach translations.

Having arranged the above mentioned papers

S. Wells Williams Esquire L.L.D.
Chargé d'Affaires
to the United States
Peking

papers, I am fairly at a loss to know how far it becomes my duty to discuss them.

I am often in receipt of Notifications from the Customs here, without corresponding instructions at the moment from your Excellency, but the present one being of a nature gravely affecting a commonly understood treaty stipulation, and possessing very much the appearance of legislation without your sanction, I at once on receipt of the Commissioner's letter, issued a public circular, copy of which I also hand you herewith. Soon afterwards I was glad to observe the N. G. M. General, perhaps entertaining the same opinion, had adopted the same course. I enclose copy of his Consular notification.

I confess I am the more in doubt as to my further duty with the enclosed papers, inasmuch as the arguments therein adduced by the Tsungli, are so palpably a quibble, a quibble without the merit of specciousness.

The reasoning of the Chinese Government to prove that the recession in January

January 1861, of the prohibition to export
pulse and bancake from Teng-chow and
Newchwang, as contained in clause 4. of
Rule 5. of the Tariff regulations, did not
place those two ports on the same footing
as any other open port of China, from
whence pulse and bancake might be
exported to foreign countries, does not ap-
pear either skillful or ingenious, and
may not it is to be hoped, be taken as
a specimen of the arguments which
the Government adduce when the
treaty is under revisional considera-
tion.

I am able to give you some information
of the recent traffic in pulse and oil
from this port, to ports in Japan, al-
though it is probable you will not con-
sider the question at issue, in any
other ground than the plain wording
of the original treaty of '58, with its
prohibitions subsequently rescinded.

Two strange facts however in
connection therewith force themselves
forward at the outset; first, that the
port

port of Hong Kong has ever been considered in the Customs Returns as a foreign country, and should the Chinese Government restrict shipments to that market, they will deprive themselves of a considerable revenue. Second, and one which shews the folly and impracticability of this action of the Government is, that since it is not ordered that shipments of pulse shall be treated in the same manner as those of Copper Cash, or rice and all other grain, what is to prevent merchants paying the export duty on cargoes and clearing their vessels – which they may do – for port or ports in the Pacific or China seas?

Of course it will be understood that Japan is the only foreign country to which shipments of pulse etc. from China are likely to go forward. Until the past year, this trade from this port has consisted of one shipment in 1867 and one in 1861).

During the past season, from reasons yet to be better known, a demand for pulse and

and pea oil has occurred at the Japan ports of Nagasaki, Hioge, and Yokohama. At first it was thought the Japanese had, either from a neglect of agriculture occasioned by their civil wars, or by substituting for pulse the growth of tea, been forced to seek for food from without.

I have been led however to believe the Japanese were not so much in want of pulse as substantial food, as for the manufacture of their universally used condiment, Soy, and this reason would appear feasible, since the consumption of imported pulse in that country was so limited.

Another unlooked-for piece of information was also elicited by this small Japan trade, that the foreign merchants in Japan could not compete with the Chinese importers of Chinese produce, from the fact that the latter could get Customs accomodations there, which were denied to foreign treaty subjects.

Nevertheless, it is generally known to Merchants that the demand for pulses

Japan

Japan, while it existed, was of considerable benefit to the carrying trade, and foreign shipping at Newchwang, Chefoo and Shanghai found therein most welcome and unexpected employment.

Governments are usually suspected to best understand their own interests, but this recent discovery of the Tsung-li-yamên, conveys a most unexpected view of the sagacity of that office

These are most natural reasons, why foreigners who were supposed to benefit by the treaty relaxation in January 1861 should wish (were the concession now a matter of the slightest doubt) for any possible extension of trade that may favor this port; and others alike cogent, why the Chinese, having in view their interests in these Manchourian provinces, should entertain a similar desire.

Pulse is the common product of these thinly populated, and, comparatively speaking, little cultivated provinces and the inhabitants have little knowledge or

experience

experience in the culture of any other article. Already has the trade during 1868 once so diminished as to cause apprehensions in this place, that the stocks would suffer from long keeping and exposure, and since as Mr Hart most truly says, the production of Indian Korin is daily increasing, it will readily be conceded that any diminution of consumption must result most disastrously to the Chinese merchants concerned. At the same time, foreigners engaged or interested in the coast trade of China, could only account for the unusually small amount of tonnage employed during that year, from the facts - as testified to most delefully by the Hong Kong and Swatow merchants, that the recently quieted districts around Canton now supplied a large percentage of the Indian there consumed; while oil cakes were being brought from Java and the Philippines, at rates which quite ruined their old northern business.

The Inspector General has evidently

Line

done his best to arrest this action of his superiors, but it is equally evident that the Yamen cared little for his economic arguments; but are rather actuated by a stolid disregard of reason, which, it is generally I think believed, has more than ever of late characterised their proceedings with foreign interests. And one may add, with their own also.

To arrest them however on their own ground, the face of the treaty, one is tempted to bring to their notice the only reason, viz: the Shanghai junk interest, which according to their own showing necessitated the prohibition of 1858, and then enquire how that interest is in any way affected by shipments of pulse to Japan.

While I shall adhere to the sentiments expressed in my Circular, until your instructions reach me, I shall be glad to learn what regulated punishments the Tsung li yamên allude to against which an leniency is to be shown.

I have the honor to be

Your obedient servant

Francis B. Knight

Consul

Disp. No. 72
Inclosure 2

Copy of a Despatch
from the Tsung li Yamên to the Inspector General.

The Yamên finds that the recission of the prohibition of the exportation of pulse was a concession to Great Britain: as recorded in a despatch to H. B. M. Minister in which it was stated that pulse must be treated according to the new rules, i.e. that it can be taken to any open ports on payment of a full duty at the port of shipment, and of a half duty at the port of discharge, and that the half duty would be returned by drawback on shipment to a foreign country.

It is thus evident that at the time of the revision it was distinctly provided that shipments to a foreign country of pulse of Newchwang or Tungchow origin could only take place after importation into, and payment of duty at a second Chinese port.

These ports so far as pulse is concerned were never placed on the same footing, as other ports in regard to direct shipments abroad. A proof of this is that, in the treaties subsequently ratified, there is no clause sanctioning shipments to foreign countries;

countries; they simply state that it is permitted to any open port. In exporting pulse therefore, foreign merchants must adhere to the provisions of the 5th rule appended to the Tariff, which only permits direct shipments from ports other than Newchwang and Ningchow. They must not regard the temporary withdrawal of the prohibition as justifying their entering into such transactions at these two ports in the same manner as at the other ports.

Consequently if, henceforward, foreign merchants ship pulse or beancake directly to foreign countries they must be punished according to the regulations, and no leniency must be shown

The Inspector General is furthermore called upon to report as to the cargo of pulse taken to Nagasaki by a steamer belonging to Shanghai

Circular N°. 18. of 1869

Inspectorate General of Customs
Peking, 2nd August 1869

Sir

I enclose an extract from a despatch received from the Tsungli Yamên, from which you will see that I am instructed to inform you: 1st that the removal of the prohibition on the export of pulse from Newchwang and Tengchow merely meant, that foreign vessels might engage in the transport of pulse from these to other treaty ports:- 2nd that pulse cannot be sent direct from the two ports named to foreign countries, but must first go to another treaty port, there pay a coast Trade Duty, and then take out a Drawback, when it may thence go to a foreign port: and 3rd that Merchants shipping pulse from Newchwang and Tengchow

direct

direct to foreign ports are to be punished as provided for by existing regulations.

2. While sending you copy of the Customs instructions for your guidance, I also forward copy of an extract from my reply, for your information

I am

Sir

Your obedient servant

(Signed)

Robert Hart

Inspector General

The Commissioner of Customs

Newchwang

Disp. N: 72
Inclosure 3

Copy of the Inspector Generals reply
to the Tsung li Yamên

I find that foreign vessels annually carry from Newchwang to the open ports of China 750,000 Shih whilst the aggregate shipments to foreign countries from all the ports amounts to only 200 Shih.

Again the transport of rice in foreign vessels to the open ports reaches 1,000,000 Shih, On the other hand though beancake has never been sent abroad, the Philippine Islands and Java have been transmitting it in constantly increasing quantities.

The prohibition proposed appears to me needless; Foreign countries never prevent shipments of rice to China, and there is no greater necessity for China restricting the exportation of pulse abroad.

The movements of trade moreover are regulated rather by merchants than by Officials, for though Government can exercise a certain control, it cannot monopolize the entire power. The production of

Pulse

Pulse in Rioin is daily increasing, and if the old rules are enforced, and if exportation is limited in the manner you desire, a market overstocked and produce exposed to decay may ensue.

In a word your suggestion greatly affects the liberty of trade, is hostful to the interest of Rioin is disadvantageous to foreign merchants, and injurious to the Revenue.

Nevertheless is my duty to communicate your orders to the various Commissioners.

In regard to the cargo of pulse taken by a steamer to Japan a separate report will be furnished.

(Copy)

Circular

With reference to the Circular regarding shipments of pulse to Japan, yesterday made public by the office of Maritime Customs, it devolves upon me to apprise all under my jurisdiction, that, as no similar instructions have been issued to me by the Ministers of the United States, France, or North German Confederation, I am informing the Chinese Authorities that they will be held responsible for all losses that the enforcement of the prohibition may entail

(Signed) Francis P. Knight-
Consul

U. S. Consulate
Newchwang, 26th August 1869

Disp. N: 72
Inclosure 4

Peking
September 1869

Sir,

I have received from H. M's Consuls at Newchaung and Chefu intimation that by the orders of the Tsungli Yamên the direct exportation of Pulse from these Ports to Foreign countries has been suddenly stopped. I must express my surprise that the Yamên neglected to communicate its intentions to me before taking action, as the matter is one which materially affects British Trade.

The despatch removing the prohibition in 1862 is in these words, "The Prince bearing in mind that since the exchange

H. I. H. The Prince Kung,
Etc. Etc. Etc.

exchange of the Ratification the friendly relations between China and Foreign Powers have been daily increasing in strength; and feeling that were the restriction on the Bean Trade relaxed, no sudden shock would be felt by native Trade, while the Merchant vessels of every other nation would be without doubt advantaged:- addressed a special memorial exposing the facts to the Emperor of China and moving H. M. to authorize the export of Pulse and Bean cake by the merchants of every nation from Teng-chow and Niu-chuang. He had the honor to receive a Decree on the 20th of the 1st moon sanctioning the proposition, and it becomes his duty to write to the British Minister in order that H.E. may direct the Consuls to notify to the communities at the several Ports that they will henceforth be permitted to ship this article at Teng-chow and Niu-chuang"

There is no question here as to where the pulse can or cannot be taken

taken to; the words simply are it may be exported just as any other article on which Export duty has been paid. That such was the understanding is quite clear from the terms of the Hanish Treaty which was signed only a year after the removal of the prohibitions. Pulse and Bean-cake are not among the prohibited articles in the Trade Rules and the characters which in the English Tariff prohibit their export from Tung-chow and Nue-chuang are entirely omitted. They are therefore in precisely the same footing as any other native produce on which export duty at Tariff rate has been paid. Even under the old restrictions export was not prohibited, for pulse could be exported from all other Ports either to other ports of China or to foreign countries; the only objection to their shipment from Nue-chuang and Tung-chow was that the native shipping interest would suffer. But it is clear that no

such

such objection can be urged, for no native craft carry Beans or Bean cake to Foreign countries; indeed the Prince and his colleagues have themselves admitted that no sudden shock would be felt by native Trade, were the prohibition to ship at those places removed.

It is very clear therefore that the Yamên has not even in view the protection of any native interest; on the contrary pulse and bean cake is produced far in excess of any native demand, and it is a manifest injury to all the cultivators in Manchuria to cut off the demand for Foreign Countries. It further interferes with the Trade of two Treaty Ports, Chefoo and Niuchwang, and in a manner so sudden that were it otherwise justifiable it could not be carried out in such a manner. There is no Foreign Minister who will not protest against action so injurious being precipitated by the Yamên without any previous communication.

communication. The instructions sent to Niu-chuang and Chefoo are therefore as vexatious in character and mode of despatch as they are unauthorized by Treaty, and I cannot allow them to hold good with regard to British vessels.

Disp. N: 72
Inclosure 5

Legation of the United States,
Peking, September 18. 1869

To His Imperial Highness Prince Kung,

&c &c

Sir,

The U. S. consul at the port of Niuchwang has just informed me that the Commissioner of Customs of that port, on the 26th of August, issued a circular stating, that from that date all pulse and bean-cake exported from the ports of Niuchwang and Chifu, must first be cleared for a coast port, and thence (if desired) could be shipped abroad; and if any foreign merchant sent this produce directly to another country, without shipping it by way of a coast-port, he would be punished according to the regulations.

The Consul adds, that, as he had received no orders upon this point from the American Minister at Peking, he had immediately issued a circular to the American merchants in that place, informing them that he had told

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the local authorities that they would be held responsible for all losses which the enforcement of this rule would entail.

It is impossible to learn from the Consul's letter why the usual practice of the Foreign Office has not been followed; for in former cases, whenever a change in any of the regulations has been proposed, the modification has always first been signified to the foreign Ministers at ~~Peking~~, who, after arranging it, have transmitted the necessary orders to their consuls at the ports for their guidance. Such not being the mode of procedure in respect to this prohibition, the United States' consul at Niuchwang had only the circular of the Commissioner of Customs to guide him; and having received no orders from this Legation, he could act no otherwise than to issue his notice to the American merchants respecting it.

It is on record, however, that in February 1862, the Foreign Office sent

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a communication to Sir Frederic Bruce the British Minister, informing him that the rule prohibiting the export of pulse and bean-cake from Newchwang and Chefu was henceforth annulled. When the Danish treaty was negotiated in the following year, this clause in Art. V. of the Commercial Regulations, forbidding the export from those ports, was accordingly omitted. Since that date, more than five years, the direct shipment abroad has been allowed for this as for all other produce, and the export has been very large from both ports to foreign countries. If during all that time nothing was said against direct exportation, what reason is now assigned for abrogating the concession made to the British Minister?

Among all the numerous productions of China, none are treated like these two articles; and what object is gained by requiring them, in order to reach a foreign country, to be sent in this circuitous way around through another

another Chinese port?

I have therefore the honor to request that directions may be sent to the Commissioners of Customs for those two ports, to observe the former rule permitting the direct shipment abroad of pulse and bean-cake. This will prevent any impediment in the way of trade there, and remove all the inducements and evils of clandestine traffic; while at the same time it will exhibit no partiality to any one class.

I have the honor to be,
Sir
Your Imperial Highness'
Obedient Servant,
S. Wells Williams

Disp. No. 72
Inclosure 6

Tungchi, 8th year, 9th moon,
6th day. (October 10. 1869.)

Prince Kung and the other members of the Foreign Office, managing the affairs of foreign countries, herewith send a reply.

We had the honor to receive Y. E. dispatch of the 18th ult^o, in which you inform us that W. Knight, the U. S. consul at Niuchwang, had reported to you as follows:-

"The Commissioner of Customs
"here has just issued a circular, requiring
"that whenever beans and bean-cake are
"exported from this port and Tängchau to
"foreign countries, the produce must
"first be sent to another port and thence
"exported under penalty of fine and confis-
cation".

"cation." This regulation is contrary to a dispatch addressed to the British Minister in 1862, and also to the stipulations of the Danish Treaty which was negotiated the next year, and you therefore request to be informed of the reason for the new regulation, &c.

Since your dispatch was received, this Office has issued orders to the Customs' officers to withdraw the regulation, and consequently there would be no need to discuss the matter further, were it not that your dispatch contains some things that ought to be answered.

It appears from the records that the prohibition to export pulse and bean-cake from Tangchau and Kiuchwang was first discussed in 1861, when the British Minister in his dispatch of August 6th said,

"The

"The permission for foreign ships to carry
"away pulse is not to export native produce
"abroad, but rather to take it coastwise."
We therefore considered that even if these
two articles, which are not prime staples
of food, were permitted to be carried coast-
wise by foreign ships, no detriment
would happen to the supply of food. The
Throne was accordingly memorialized
to remove the restriction, and it was
stated that foreign vessels could carry a
far larger cargo of bean-cake than native
craft trading at southern ports, and the
supply of the people's food would suffer no
diminution.

At a later date, when the tariff was
under discussion, another dispatch was
received from the British Minister, stating
that

that bean-cake was used as a fertilizer by sugar-growers at the South; but if the duty raised the price they could not buy it so freely, while if it was light and the price cheap, they could afford large quantities of it to the great advantage of the Imperial revenue. In the correspondence relating to this article by the British officials, they merely proposed that it should be taken to the southern ports, and in the Memorial about rescinding the prohibition, this was likewise the only object sought. If you, Sir, will carefully read those documents relating to the permission accorded to foreign vessels to load pulse at these two ports for southern ports, you will be fully satisfied.

Though the tariff regulations of the Danish treaty contained nothing upon this

this commodity, it was only right, seeing that Danish merchants enjoyed the same advantage, that they should observe the same stipulations as to its trade; and on this account it was deemed best not to encumber that Treaty with details.

In regard to the regulations at each port about customs, and how the revenue shall best be protected from loss, no doubt can exist that they all belong to this Government to direct, and that all the treaties contain the same provision. When, therefore, we instructed the commissioners of customs that all shipments of pulse and bean-cake in foreign bottoms from the two ports in question, must go to another open port before going out of the country, we were following the

original

original understanding about the matter, - and complying too with the stipulations of treaties in taking measures best fitted to secure the revenue from loss. If, therefore, the treaties plainly accord this right of custom-house regulation to His Majesty's Government, there was a reason why Y. E. was not informed before the notice was issued.

It appears, however, from information received from the custom-house officers at the two ports, that the bean crop in those regions is abundant, and that no detriment can result to the supply of food, either there or at the south, if a liberal course be adopted, while the revenue will also be rather benefited. Since this is the case, therefore, and lest our farmers be injured in

in their sales, we have for the present permitted pulse to be exported without going to another port, and not merely because foreigners wish it; though in doing so we exhibit our desire to benefit both them and the farmers.

The circumstances and the reasons for our course will, we think, both be fully perceived, and also the expediency of the modification now made

To His Excellency

S Wells Williams

U. S. Chargé d'Affaires ad int.

Disp N: 72
Inclosure 7

Legation of the United States,

Peking, September 27th 1869

Sir,

I have received your dispatch of August 28th with its inclosures, relating to the recent decision of the Foreign Office ordering that pulse and bean-cake, when shipped from the two ports of Newchwang and Chifu, should pass through another open port before being exported to a foreign country. You also transmit a copy of the circular issued to Americans and others residing at Newchwang respecting this sudden decision

I learned that there was but one opinion here as to the impolicy and needlessness of this step on the part of the Foreign Office,

aside

Francis P. Knight Esq

U. S. Consul, Newchwang

aside from its contravention of treaty stipulations, and the unusual mode of carrying it into effect without previous conference with the Ministers at Peking. Some difference of views existed as to the abstract right of this Government to make such an alteration for sufficient reasons, having in view their former prohibition of the article, but none as to the discourteous and hasty way in which the step was taken.

Your circular to those under your jurisdiction was timely and suitable, and intimated to the local authorities your views upon the abrupt change made in the export of so important a branch of the trade; but in the minor arrangements of the custom-house in carrying on its business within treaty provisions, I have no wish to interfere; nor does it seem

to

to be necessary to always apprise the Consuls thro' their Representatives in Peking. You speak of many Notifications issued by them, without receiving any corresponding instructions from the Legation; but I suppose they are mostly of a trivial nature, referring to things that properly come under their jurisdiction, since you refer to none in particular.

I send a copy of my dispatch to Prince Kung, requesting that the prohibition of the direct exportation of Pulse and Bean-cake to foreign Countries from the two ports of Hinchwang and Tang-chau, be immediately rescinded; and to-day I have received a note from the Inspector-general stating that he has received orders to notify its revocation, and allow the exportation of these two articles in

the

the same manner as other produce. I suppose that you will be informed of this return to the previous usage by the Commissioner at Kiuchwang without delay.

I am, Respectfully,

Your Obedient Servant,

S. Wells Williams

Disp. No. 72
Inclosure 8

United States Consulate,
Niuchwang. October 19. 1869

Sir,

I have the honor to acknowledge the receipt of your letter of the 27 ult^o., inclosing a copy of your note to Prince Kung.

On the 24^th. of September, the Com^r. of Customs wrote to inform me that he then considered the British colony of Hong-kong included in the provisions of the new rule, prohibiting the direct shipment of pulse and bean-cake to foreign countries; to which I responded that my protest of Aug. 26^th. would cover all foreign countries.

I have now the pleasure to inform you that on the 7^th. inst., the Commissioner issued a circular, saying that he felt it his duty to apprize the public that the recent prohibition to export pulse and bean-cake direct to foreign countries

S. Wells Williams Esq LL.D.
Chargé d'Affaires for the U. S. Peking

countries was removed. It is certainly most gratifying to once again feel an almost instantaneous effect on the Tungli Yamun by the conjoint action of yourself and colleagues; yet there are facts ~ connected with this singular business which I cannot explain.

It appears from the contents of a private letter from Japan, that the news of an intended prohibition on the part of the Chinese Govt., must have reached Yokohama before the prohibitive circular was issued at this port. And what is very unusual - indeed without precedent in my experience - is the fact that altho' the foreign customs ~ attempted action, no word from the ~ Taotai has reached this Consulate on the subject; neither has that official ever given any notice to the Chinese residents by edict or otherwise.

I feel that I am one of the last to interfere in any way with the legitimate concerns of the Customs, or

question

question any states, which in your superior judgment it may have been decided that consuls should accord to Comm^r. of Customs. I already understand that the latter may address the former directly with a view to an immediate action on subjects strictly belonging to their department, such as procedure in settling fines, disputes respecting duties, confiscations, &c., — questions in short which are comprehended in the treaty or tariff rules.

But it is in order to provide against future surprises at the treaty ports, that I would advise that all communications in any way affecting the treaties, which are issued from the Inspector-general's office, should either be accompanied with similar instructions from the Legations, or else that gentleman should be instructed to inform his subordinates that any new law or rule would hereafter only come into force after

the

the consuls had received concurrent directions

I have the honor to be,
Your Obet. Servant,
Francis P. Knight

Rec'd Mar. Mr Brett,

Two sets will be sent by next Steamer

Peking. January 3. 1869

Hon. Hamilton Fish

Dear Sir.

By the last Pacific steamer a set of the Congress publications of Diplomatic Correspondence for 1868, 2 vols, and also two copies of Vol I. were received at this Legation, and one copy of Vol. XV. of the U. S. Statutes at Large.

The Diplomatic Correspondence for 1867, which I suppose has been likewise printed by Congress, has never been received in Peking; and I should be much obliged for a copy or two for the shelves of the Legation, as these printed copies of our dispatches are so much more accessible than the written archives, and are in constant use.

Believe me, Dear Sir
Yours faithfully

S. Wells Williams

Rec'd 28. Mar. Acknowledge
Mr. Pratt

No. 73 Ack

Legation of the United States,
Peking, January 3. 1870

Sir,

I have the honor to acknowledge the receipt of your dispatch of 31st August last, addressed to Mr. Browne, (No. 18); and of a Circular notifying the decease of the late lamented Secretary of War on the 6th of September.

In a newspaper received by the last American mail, I have read such an erroneous statement respecting the visit of Prince Alfred to this city and the refusal of the Chinese authorities to receive him, that it seems to me but proper to state the facts to you in order to place the matter in its right

Hon. Hamilton Fish
Secretary of State.

right light.

When the British Minister had learned that it was the intention of the Prince to visit Peking in his cruise in H. M. Ship "Galatea", he wrote to the Home Government to dissuade him from so doing. He stated that as the Regency was composed of the two Empress Dowagers whom custom forbade to appear in public, and the court of attendants around the young Emperor, none of whom had, except his uncle Prince Kung, ever had any direct intercourse with foreigners, it was not likely that they would do so officially or otherwise until His Majesty obtained his majority. When that period arrived, the question of the kotow and audience with the Emperor would be decided by the application of the foreign Ministers to be properly

received

received at Court; but it would be impolitic to ask for any reception at present.

These and other points were fully explained by Sir Rutherford Alcock, and no application was ever made to Prince Kung or any other Chinese dignitary as to whether or no the Duke of Edinburgh would be received in Peking with proper respect as the son of the Queen of England. He reached the city on the 6th of October, accompanied by a few officers from his own ship, remained a few days at the Legation, and then returned to Tientsin and Chifu. It is probable that only a few of the native officials knew of his visit. He came and went as any private gentleman, and nothing derogatory to his position or his country occurred here or anywhere else in China.

It

It was undoubtedly, under the present circumstances, the best course to make his visit incognito; for I think, that even if Prince Kung had had the wish to receive his Royal Highness with special honors, he would, from other considerations arising out of the constitution of the Court at this time, have found himself in such an awkward position that he would have been obliged to decline doing so.

I have the honor to be

Sir,

Your Obedient Servant,

S. Wells Williams.

Rec'd 28. Mar.

No. 74.

Legation of the United States,
Peking, January 5. 1870

Sir,

Since my dispatch No. 70 of the 30th of November, to which this is supplementary, I have read the minutes of a careful discussion upon the provisions of the Convention signed at Peking by the members of the Chamber of Commerce at Shanghai. The leading points in the debate will interest you, as exhibiting the opinions of the most influential body of merchants in China upon subjects which they have carefully inquired into, and which closely affect their interests.

There is one reflection which arises in reading this discussion that

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Hon. Hamilton Fish
Secretary of State.

should not be forgotten. If the Shanghai merchants are able to furnish valuable opinions respecting the most likely means of enlarging their commerce, and bringing foreign goods to the doors of their consumers in remote parts of this empire, by removing the obstacles in the way of cheap and speedy transit, the disadvantages of their situation should also be remem. bered. They mix only with the mercantile class of the Chinese, and of this class with only that small portion which speaks English, through whom, as brokers, communication is chiefly held with the dealers from the interior. These native merchants are naturally inclined to regard with favor whatever will extend their trade, and accordingly readily fall in with every proposition to open it up by foreign power. I have no doubt tho these natives form, on the whole, the most liberal and enterprising class among the Chinese,

yet

yet it has vastly less influence in the nation than the literati and gentry; its numbers are fewer, and if they could be brought together to a free discussion on mercantile matters, it is probable that their views would be found to be crude and dissimilar. If a convention of native and foreign merchants could be assembled to discuss the points of Sir R. Alcock's Convention, their deliberations would possess interest and value, but that day is still distant, and the two parties are somewhat antagonistic to each other in their ideas as to what would benefit themselves. The long residence of the leading merchants who form this Chamber of Commerce at a large port like Shanghai, tends of itself to create a public opinion favorable to their own objects, and to hide from their view much that would modify that opinion if its members came from all parts of China.

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If this feature of the position of the Shanghai merchants indicates that they may not be in the best point to appreciate the difficulties in the way of carrying into effect new plans, and the bearing of some of the clauses in the Convention, the training of the officials, who discussed it with the British Minister, still more unfits them for a candid estimate of the worth, and decision on the feasibility, of the various proposals he made to them. Their isolation in this remote part of the empire prevents them from mixing with their fellow-officers in the provinces and learning the actual state of things; - their caste prejudices disincline them to ask the opinions of merchants, - whom they look upon generally as schemers and speculators, desirous among other things to avoid paying taxes and duties; and their sense of inability to force new measures

upon

upon the country as yet, all combine to make them timid and appear to be obstinate. They have learned very much by the late discussions, which have brought to their notice the nature and results of many foreign things and principles deserving their attention. If these high officers would condescend to ask the opinion of their countrymen in the provinces, they would learn many new facts, but perhaps at the expense of their class standing; and they suffer in proportion for their want of minute and correct knowledge of what is going on around them.

Yet they present a fair average of the attainments and liberality of the ruling class in China, while their position in Peking in contact with foreigners is gradually removing their indifference, as it is dispelling their ignorance of such subjects. They are gradually awaking to an

appreciation

appreciation of their responsibilities, though their progress seems to us to be very slow. But the elevation and enlightenment of an empire like China must be slow to be safe.

In order to show the course of the discussion at Shanghai, I quote the resolution which was brought before the Chamber of Commerce at its annual meeting on the 26th of November last, r

Mr. JOHNSON then proposed and Mr. MICHIE seconded the following resolution, which it was agreed to consider clause by clause.

"*Resolution.*—That this Chamber having received the semi-official communication of the British Minister conveying the terms of the revision of the treaty between Great Britain and China, cordially recognizes the efforts of H. E. Sir Rutherford Alcock to settle the question of transit dues upon foreign imports, and views with satisfaction the explicit declaration of the Chinese Government of its adherence to the principle for which the Chamber has always contended viz., the absolute freedom of all such imports from further taxation throughout the Empire on payment of a fixed commutation.

"That this Chamber consequently regards this part of the convention, provided it be faithfully carried into effect, as a great boon to the trading interests of China and of foreign nations having relations with her, but considering that similar obligations undertaken in the Treaties of Nanking and Tientsin have hitherto been disregarded by the Chinese and not enforced by the treaty powers, the Chamber cannot refrain from declaring its opinion that, unless the Chinese Government should be more faithful in the future than it has been in the past, and that the British Government should be more strict in exacting the performance of such engagements than it has hitherto been, the effect of the stipulation will be to increase the burthens upon foreign trade, already too heavy.

"That this Chamber is of opinion that the compulsory payment which is the consideration for the guarantee against internal dues should be made terminable by the convention at the option of H. M. Government unless the guarantee should be found effective.

"That with regard to the other clauses of the convention, the Chamber views with great satisfaction, those which throw open new ports, authorize the working of Coal mines and announce the intention of the Chinese Government to assent to a code of rules having the force of law in cases of dispute between Chinese and foreigners. The Chamber welcomes such stipulations as evidences of a disposition on the part of the Chinese Government to shape its policy in accordance with the desires of its own people, and in recognition of its obligations to the foreign Communities settled on its shores, and trust that the measures may be considered as forerunners of others, having more important results, in the same direction.

"That this Chamber, however, is at a loss to understand the principle upon which the duties on the Export of Silk and the Import of Opium are to be augmented.

"That especially in regard to the increase of duty upon Indian Opium, as the proposed measure will operate directly to encourage the preparation of Opium in China at the expense of the foreign trade, and while it will deprive the Indian Government of a large portion of its Revenue without, in all probability, increasing to any important extent the Revenue of China, the Chamber considers the increased tax to be vicious in principle and injurious in all its bearings, and pledges itself to oppose the adoption of this clause of the convention by every means in its power.

"That the Committee of the Chamber of Commerce be requested to address H.B.M. Government, and all foreign powers having treaties with China, with the expression of the views of the Chamber upon the revised treaty."

In bringing forward his resolution,

motion. Mr Johnson said, "That with regard to the new treaty, there seemed to be, as usual, three opinions. One party was decidedly in favor of it, and thought that it should be appro. ved; a second deemed it to be a - delusion and a snare, that the Chinese meant it as a sham, and would avoid giving it effect; the middle opinion, which he shared, regarded some meas. ures as a decided advance, while it considered that others ought to be condemned." He went on to remark, in substance, that it was no doubt true that, as Sir R. Alcock had said, this treaty had not been extorted from the Chinese by force of arms as in previous instances, but there had been considerable pressure of public opinion, and their own embassy had told them that unless they made up their mind to concede something, or appear to do so, pressure would be renewed. It was possible that

these

these concessions had been granted with no real intention of carrying them out, therefore; and on this head experience alone could prove their faith.

The third and fourth articles in it covered the vexed question of transit dues, but he thought that to make the commutation optional was a better plan for all parties, and was moreover in accordance with Chinese fiscal regulations. Yet these two articles were far in advance of anything in previous treaties, for they stated that all foreign goods were to be exempt from further taxation on payment of 2½ per cent., and the Chinese could not hope to misinterpret this plain declaration. Foreign merchants and native traders must be vigilant, and foreign Governments must insist on rendering them effective, for which a mode was provided in all cases where illegal levies were proven.

proven. This concession, if faithfully carried out was a great boon. It was not clear how the plan was likely to work in the important provinces of Hunan, Honan and Shansi, all of them extensive consumers of foreign goods and having no treaty ports, but exempted from the operation of the system which provided a mode of recovery for illegal levies.

The payment of transit duties on native produce defined in Art. IV. was not quite clear; and as their payment was entirely in the hands of the Chinese, he did not see how they were to recover for over-payments; so that, until the Chamber knew more, the operation of this clause must be regarded as uncertain, and the attention of Her Majesty's Government should be particularly drawn towards this point.

Upon this same subject, Mr. Wilson added some data which

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are important as showing how what we call transit dues can be arranged. "Silk, when conveyed from the interior to Shanghai is called upon to pay over thirty taels per bale for transit dues, if it is in the hands of the Chinese. Consequently, foreigners obtain transit passes to exempt the produce from further taxation by paying the commutation rate of five taels per pecul. In 1865, it appeared from the Customs' report, that 355 of these transit certificates were issued from the Shanghai custom-house, which ought to have secured the silk from further claims at the various stations through which it passed on its way to port. But the local authorities did not allow their revenue to suffer long from the transit-pass system; all the taxes formerly levied at the barriers were taken away, and a lump sum imposed on the sellers of silk. Now, the

silk

silk hong at Nanzing or Hu-chau has to pay a tax on the business done at the rate of $26 per bale on raw silk, and $36 on thrown and re-reeled silk. The benefit of the transit-pass is thus lost, for the sellers of the silk must pay the above tax, whether their produce is taken by a native or foreigner; and one consequence was that only 68 certificates were taken out at the Shanghai customs in 1868, against the 355 taken out two years before. Taxes in transitu being done away, the custom-house imposed the ordinary transit duty of five taels per pecul, so that silk now pays altogether 42½ taels' charges to the Chinese revenue before it reaches the foreign buyer, or 183 per cent. more than the duty and half duty fixed by the treaty. The Chinese Government thus elludes the actual fulfillment of treaty stipulations

by

by taxing the trade instead of the articles of trade.

Mr Johnson made an explanation of this charge, that previous to the introduction of the transit system, silk was taxed forty taels per bale in transit; and the natives, finding that foreigners were able to bring it down for ten taels, remonstrated with their own authorities against the disadvantage at which they were placed, and it was consequently arranged that the silk hongs should pay the thirty taels. The whole matter should be prominently brought forward to show how difficult it would be to make the Chinese keep the new agreement.

In a previous memorial to Sir R. Alcock before the revision, the Chamber of Commerce had used the following language upon this point:- "Whatever may be said about the right of the Chinese to tax their own subjects,

it

it cannot by any plausibility of argument be held that a Chinese official has the right to exact a fixed contribution from the purchaser (of imports, or seller of exports) in excess of tariff rates. Your memorialists beg to illustrate their views by putting the question of what would have been said, if immediately after the conclusion of the Cobden treaty with France, the French Government had proceeded to place a tax, not upon English goods but on those who traded in them; or what would have been thought if, in the British Parliament, a poll tax had been voted upon all persons who dealt in French wines? It is scarcely to be imagined that such ill faith would have been tolerated; and yet it is what we are submitting to in China to this day."

Mr. Milsom then brought forward a resolution bearing on this particular point; it was seconded, and

somewhat

somewhat modified in the discussion among the members, some of whom objected to an expression that the Chinese are prepared to levy illegal taxes, and deemed it to be rather beyond the position of the Chamber of Commerce to assert that the Chinese were going to act in bad faith. It finally passed as the opinion of the Chamber in the following form:-

"That the Committee be requested, before communicating with Her Majesty's Government, to collect further facts bearing on the manner adopted by Chinese officials in taxing trade, as well as articles of trade, contrary to the spirit of the treaty, and the interests of the foreign merchants; and to lay them before the Government with the expression of their fear, - based upon facts elicited, that the compulsory payment of transit duties will only add a further tax on trade, unless the foreign Governments -

adopt

adopt measures more efficient than hitherto in inducing the Chinese to keep their engagements."

Upon this subject of transit dues on the internal traffic of China, I would add a few remarks in order to explain wherein I think the difficulty lies. The tax which we call transit dues is, in theory, levied by the Chinese Government upon all goods going through the land as a charge for preserving the safety of the way they have to pass, involving the maintenance of garrisons at particular points, whose duty is to pursue and arrest robbers who molest the travel. The people know very well that the income is not actually or efficiently applied to this end, but goes into the general revenue of the province, each one of which keeps up its own guard and assesses its own fees. The tax is paid at convenient spots, and has gradually come to resemble

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an excise more than a mere transit duty.

In order to prevent discussion with foreigners at these passes, the officials who framed the treaties of Tientsin, seem to have been willing to compound the whole impost at a charge of half the regular duty, but without any very clear idea of the total revenue collected at the passes, or of what it was composed. They inferred too that a foreigner would generally accompany the goods thus certificated by transit passes. In 1858 too, this attempt to restrain illegal exaction and regulate this part of the fiscal institutions of China, was rather an experiment, and the details as to the modus operandi as given in Rule VII. of the Commercial Regulations were the best that could then be arranged. Native traders themselves could not tell what amounts were legal, and what part

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was local exaction, for in China the people cannot examine into such things, and could not resist the imposition with much hope of benefiting themselves.

While therefore, the foreigner reasonably inferred that the payment of the transit due would clear his goods from every other tax, and enable them to reach their remotest consumers with only charges for freight in addition, the Chinese authorities seem to have looked upon it as paying the road tax, and not by any means forbidding them to levy the excise, the war tax, and other imposts that they had been accustomed to lay on trade. The provincial authorities did not regard the treaty as interfering with the collection of these charges in any way that could be most convenient to the native merchants,—in fact they formed a large part of the revenue

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of the province. The foreign merchant naturally complains of this infraction of the treaty, but the allusion in the Shanghai memorial to the Cobden treaty does not, in my mind, convey a just notion of the case as it is in China, nor fairly exhibit the views and practice of its authorities as to the nature of the transit dues. They have no doubt often violated this part of the treaty, even in their own view of its application; and the result has been that foreign merchants have troubled themselves but little to certificate their purchases in this way, as it involved much trouble and little gain.

The imposition at Nanzing of a charge of about 27½ taels per bale on all silk sold by the hongs appears therefore to have been only removing the usual legal tax on that article from the road to the shop; the total accruing revenue does

not

not seem to have been much en-
hanced by the change. The facts of
this transference, brought out at the
meeting of the Chamber of Commerce,
uphold my belief that the two parties
to the treaty have misunderstood
each other. That while the foreigner
has taken transit dues to include
all the internal imposts, the native
has understood it to mean only that
portion which was set apart, as
applicable to the protection of the
roads, and collected at various points
on them in combination with all
or many other fiscal charges.

We cannot expect that the
Chinese Government is inclined,
or can afford to abrogate all its
revenue laws referring to manu-
factured produce, and be satisfied
with merely 2½ per cent. income
on all that is carried to and fro over
this vast empire, when that propor-
tion is probably not one tenth or

twentieth

twentieth of what it now gets, and which trade somehow or other bears and still increases. If this is the real state of the case, the attempt to carry out the plan of protecting goods on their route from other charges than this one of 2½ per cent., would involve us all in an interminable quarrel, probably to be checkmated in the end.

The seven paragraphs of Mr. Johnson's resolution were discussed and voted on separately by the Chamber. The fifth clause was amended by the addition of "the latter article as now taxed, with difficulty holding its own with the native-grown drug." The next one relating especially to opium was rejected by a large vote, it being supported chiefly by those Houses connected with the India trade. By the last paragraph, you will see that the Committee of the Chamber

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is directed to prepare a full paper upon the whole subject, which will probably furnish you with a careful argument upon the important question I have now referred to.

I have only one or two observations to make upon the Rules appended to the revision sent you by last mail (N: 70). In the 5th Rule, a provision is made for the establishment of bonded warehouses at such ports as it may be expedient to establish them; but except perhaps at Shanghai, none are likely at present to be opened.

In the 6th Rule is a stipulation for a steam-tug-boat on the Poyang Lake, intended to facilitate the delivery of teas and other produce at Kiukiang. There is a large dépôt on the eastern side of the Lake, to which tea is brought for shipment, but the current in the Yangtsz' river is too strong for native boats to go

up

up to Kiukiang as soon as they issue from the embouchure. The admission of a steam-tug on that sheet of water, will, I hope, so soon prove the desirableness of such vessels that the natives on its borders will demand several.

I regard the next Rule, - defining the manner of the inland traffic and rental of inns or dépôts at points where the foreigner wishes to purchase goods in the interior, as one of the most promising openings to an extended trade and better acquaintance with this people. The foreigners who are so well acquainted with the spoken and written languages as to be fitted, even in that respect, for such mercantile missions, are still too few to make it available just now; but it shows the way, legalizes the attempt, and in the course of twenty years, will, I think do much to make the Chinese and their visitors

better

better acquainted, and it is to be hoped better friends as well.

Two of the coal mines, Kiu-ping and Lo-ping, mentioned in Rule 8, are situated in the neighborhood of Chin-kiang and Nanking on the Yangtsz' R., and have long been worked in a rude way. Ki-lung or Killon is at the northern end of Formosa, and already supplies large amounts of inferior coal. The introduction of foreign machinery and skill in working them will depend somewhat on the security offered for the investment by the Chinese authorities; but it is not likely to be delayed many years, and at Kilung not a great many months unless unforseen obstacles prevent.

The changes of the tariff, increasing the duty on opium and silk, will probably be of some advantage to the revenue. To the opposition of the Indian Government to an en-

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hanced rate on its produce, will be placed the desire of the manufacturers and others in Great Britain itself to extend their sales in China. The moral sense of the British nation is against the opium trade, and the cultivation and preparation of the poppy under a monopoly, and the maintenance of inspectors to make it to suit Chinese taste, are all looked on unfavorably by many in India itself, who think that ways can be devised to raise the needed revenue in some less objectionable way. Now that American slavery no longer exists, I look upon the use of opium in this empire as one of the most awful evils among mankind.

I am inclined to think that the British Government will not object to the increased duty on imported opium, but the consent of the French and Italian Governments

ments to doubling the export duty on silk is not so certain. If they do not, the Chinese will perhaps decline to allow the favorable articles in the Convention, for which no one can well blame them. The present duty on silk is not five per cent. ad valorem; and it is too hard, even for the exterritorial system, if a nation cannot be allowed to increase its revenue in this way, and that after learning what a vast income is derived from this very article by those nations which refuse this moderate increase to its own tariff.

I have taken much interest in the deliberations connected with this revision of the English treaty, and hope that its adoption will be benefi. cial to foreign intercourse generally, and that the United States' Govern. ment will approve it, with perhaps the slight alterations suggested in my

other

other dispatch. I am, I confess, not very sanguine about the proposed plan of paying the transit due, and hardly think it will work smoothly, or that its prepayment will clear foreign goods from the seaboard through to the farthest part of the land. I have some doubt about our right to interfere in Chinese internal taxation to the extent that these new rules seem to do; and I am almost sure that we shall fail in the attempt to do away with other local charges if they are incorporated in the transit tax. The system here proposed might be tried for a limited period, if that alternative was not in some respects worse than not trying what cannot be carried through.

But the other features of the revision, as the privilege of renting dépôts at inland points, working the coal-mines, occupying two new ports, and the acknowledgement of the

importance

importance of a commercial code for the regulation of intercourse, are all of them important advances, calculated to bring about in time even greater advantages.

This Convention indicates, far better than the Treaties of 1858, what the statesmen of this land are willing to grant to foreigners after ten years of the actual working of those compacts. They would, I think, have all been abrogated immediately, if the Peking Government had had the power, before they were ratified; this revision is the deliberate opinion of the same statesmen, who have found that the nations who then forced themselves into the capital, assuming the right everywhere to be governed by their own laws, are reasonable. It is of itself no slight testimony to the wisdom and moderation of Lord Elgin, and the considerateness and firmness of Sir Frederick Bruce, to whom fell

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the no less difficult task of carrying those treaties into operation. That this result has come about. If these two brothers had left behind them no other record of their labors, this would entitle them both to the grateful remembrance of every wellwisher of the Chinese

There is one thought which comes up in estimating the value and suitability of these and all treaty stipulations, which I may refer to in conclusion. Unless we can carry the Chinese officers with us, in at least the partial conviction that the privileges we ask for are just as well fitted to benefit them and their people, they must, in the nature of things, become more or less of a dead letter. No great commerce can be carried on by force, no treaty can be constantly maintained by gunboats, no people can be expected to appreciate what they are suspicious of. or

do

do not understand, and no rulers will force unsuitable or unsavory conditions on their subjects, at the demand of other nations, until they are persuaded that the end is worth the effort.

Though the former treaties were forced upon this Government, their requirements have worked comparatively easy, because, on the whole, they have been found to be beneficial; and the hope that these new steps will be found, like the others, of practical advantage, depends very much upon carrying the consensus of the people with us, Extended intercourse has done much to remove their fears, and its further extension will no doubt vindicate the wisdom of this new set of rules. But the differences in our views from theirs, arising from our higher experience, greater skill and knowledge, and troublesome energy - everything indeed

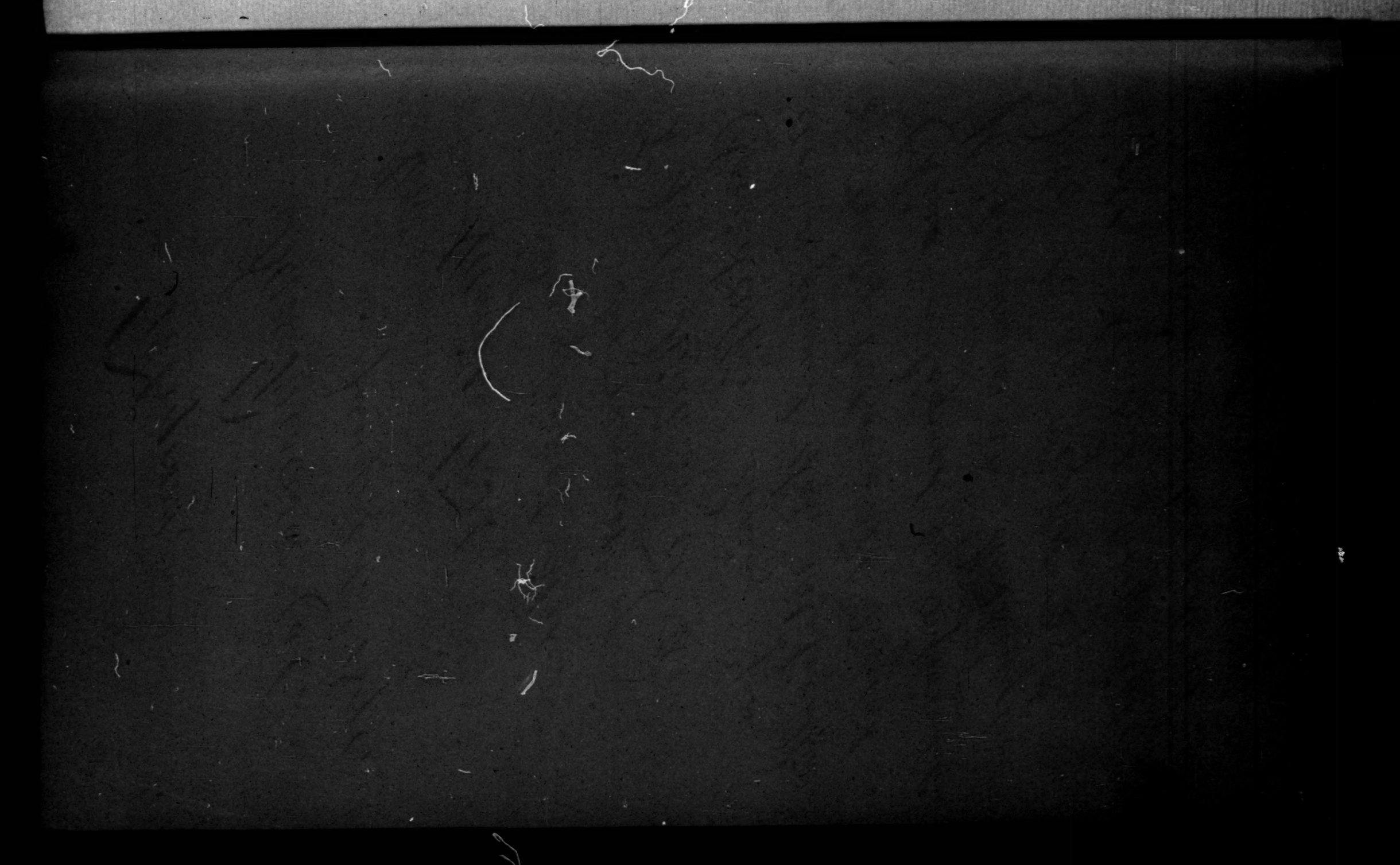
that

that makes us foreigners better - judges (we think) than the Chinese of the merits and ways of carrying out these rules - leads us to easily forget the slow steps by which we have ascended to our present - heights, and be impatient with their dilatory progress. Yet to force progress at the risk of revulsion and strife, when we run no great risk of those consequences, is to hazard mutual advantage, peace and profit. It is an incalculable advantage to both Government and people here that they can watch the workings and ascertain the previous development of free institutions in other lands, and investigate the steps by which their inhabitants progressed in self-government, without having to go through the same ordeal of trial and failure, or trial and success. They can, if they will, study the lesson without the strife and

war

war which those went through who have now learned it. But to give efficiency and currency to all our proposals for their benefit, it is very important that the Chinese have the conviction that foreign Powers are sincere in their protestations, and will be patient till the day for adopting our improvements has arrived.

I have the honor to be,
Sir,
Your Obedient Servant
S. Wells Williams



Rec Jan 25

Mr Pratt

Telegram.

San Francisco Cal.

Jany. 24. 1870.

Hon.

Hamilton Fish.

Secretary of State.

By request of —

S. Wells Williams, U. S.

Chargé d'affairs Peking. You

are informed that, ratification

of treaty between U. S. and

China. Signed by representative

plenipotentiaries at Washington

July twenty Eighth (28th)

Eighteen hundred Sixty eight

(1868) were exchanged at

Peking November twenty

third (23d) Eighteen hundred

Sixty nine (1869) -
Ratified Copy in charge
of J. Mc L. Browne. Secretary
Chinese Embassy.

J. Frank Miller.
Special Deputy Collector
Customs —

Rec'd at Dept. of State
Jany. 25. 1870.
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Act.

No. 75. Three Inclosures

S. Wells Williams

To Department of State.

Peking. February 22. 1870

Subject.

Revision of the British Treaty, and acceptance of the new articles by other Treaty Powers.

The operation of the new articles by Great Britain being contingent on their adoption by other nations, H. M's Government has perhaps already brought the subject to your notice. Their effect on the future trade has been discussed by Mr Michie in his letter of Dec. 31. 1869; he shows that it will

be

be very difficult to carry out the rule about transit duty; but the plan of taxing goods in transit is a part of the Chinese revenue system; and if it be abolished, how is the deficiency to be made up where it is needed. If the tariff limits the coast-line revenue, the Chinese Government cannot easily increase its revenue otherwise than by taxing goods in the interior; and on the whole the people are lightly taxed, and the trade constantly increases.

Inclosure A. Prince Kung's dispatch.

Inclosure B. Minute signed by the two contracting parties, about pilots, and Chinese jurisdiction in her own waters, and non-application of transit duty to goods going thro' Manchuria, and inviting other nations

Inclosure C. S. W. Williams' reply that he has sent the articles to Washington.

No 75. – Three Inclosures.

Legation of the United States,
Peking, February 22. 1870

Sir,

Since my last dispatch, I have received the Chinese text of the revised articles, and a minute agreed upon between the negotiators, which is of importance to the right understanding of the Convention, as it makes its adoption by the parties themselves contingent on the action of other Treaty Powers (Inclosures A.B.C.) Her Majesty's Government may have already addressed you upon this subject to learn your views ~~in relation~~ to accepting the revision.

I

Hon. Hamilton Fish
Secretary of State

I have also received at this place a copy of the letter from the Chamber of Commerce at Shanghai to Lord Clarendon, with an elaborate paper on the Transit Dues appended, both of which I suppose have been sent you. Mr. Michie's letter upon the bearing of the new stipulations upon the future of the China trade, is a reasonable and intelligent discussion of all the serious questions growing out of them, and well deserves perusal. He proves, I think, that it will be very difficult, under any treaty, to carry into effect a rule to allow foreign fabrics to pass everywhere in the provinces without taxation in some shape or other. The ideas of the people, and the usages of the Government, cannot be —

enlarged

enlarged and modified merely by a treaty stipulation; and to alter the practice, common in this as it is in all Asiatic Governments, of raising the revenue where their officials meet the produce, and to the extent their power or their needs suggest, demands far more intelligence, wisdom, and power than the Chinese yet have.

Mr Michie shows that the treaty clause about transit dues has worked well where it has been allowed to have effect, and that trade and revenue have increased in those small areas, owing to this liberty; but I do not know what regions he refers to, nor have I any facts as to the enlargement. But he does not state why what proved beneficial in one area, was not adopted in neighboring places. Around Amoy, the

imposition

imposition of extra taxes on goods in transit has greatly decreased the regular traffic, – though the increase of smuggling must, one would think ... lead the officials before long to remove these onerous charges.

There is only one point on which I wish to enlarge, for it seems to have escaped notice, and ... yet ... must influence the Emperor's advisers; ... that is, How is he to get his proper revenue out of trade? His Government is in this dilemma: The tariff cannot be increased at the seaports, for it is a part of the treaties; and if native and foreign produce passes back and forth throughout the land, from the manufacturer to the shipper, and from the importer to the consumer, on the slight impost of 2½ per cent. duty, where are the present large sums collected on produce

to

to come from? An income tax, an excise on crops, increased land tax, or fees for licenses, are all out of the question here. At present nearly all the native maritime trade goes thro' the foreign custom-house, because the traders find that sea-going junks are not so safe and quick as steamers and ships. Consequently, the whole revenue along the seaboard must be nearly comprised in the returns published by the Inspector-general of Customs, for it is only coarse articles that are shipped in junks. In 1868, the estimated value of the trade at Shanghai was 112¼ millions of taels, on which 2½ millions was paid as duty, or about 4¾ per cent., including I infer, transit duties too. The entire foreign trade, estimated at 50 millions of taels, gives only a little over four millions to the Chinese

exchequer

exchequer, on this estimate, therefore; — not a very high income compared with what Western Governments get.

When the first tariff was agreed on in 1842 at Canton, I have no doubt that the Chinese officers there graduated its charges at what they considered a high coast-line duty, on exports as well as imports, without any reference to internal charges, never supposing that this single tax would free a bale of broadcloth from other transit dues all the way from Canton to Peking. We naturally apply our ideas and practices to the Chinese system of raising a revenue, but we are apt to forget that the people and rulers have everything to learn in political economy. If we demand that one payment of 2½ per cent. ad valorem shall free

a piece of cloth throughthe borders of Thibet;
and ask for guaranties to restrain, or means
to punish local officers, who meddle with
it, we do much to drive the Government
to look out for some other way to recompense
itself. It cannot restrain its officials as
we can, its people are ignorant and timid
in asserting their rights, and experience has
proved to them that, on the whole, the most revenue
can be collected with the least trouble at
the passes.

The arguments and advantages in
carrying out faithfully the proposed transit
commutation are stated by Mr. Michie, and
my intention has been rather to show the
views of the Chinese. Their other resources
from land-tax, gabelle, permits, and fees, may
be much greater than I suppose; but I

am

am sure that the Chinese people are more lightly taxed now than those of any other large country in the world. As long as we impose a treaty-tariff on them, and shut them up to its observance, it may not be the wisest policy for us to try to square their fiscal arrangements with our own. The trade grows annually and surely. The value at Shanghai alone is now more than the whole China trade was when the first treaties were negotiated in 1843; as peace and industry extend over the provinces recently plagued with rebellion, it will doubtless increase as fast as the people have wherewith to buy — if they do not cripple themselves with opium.

It may be that the mass of papers sent you on these topics will weary you

by

by their repetitions and hypotheses, but their perusal cannot fail to inform you on a great variety of points, illustrating the position and reciprocal interests of China and Western nations, and enable you to judge upon the merits of the new stipulations

I have the honor to be,
Sir,
Your Obedient Servant
S. Wells Williams

Dispatch 76
Inclos. A

Prince Kung, chief Secretary of State for Foreign Affairs, herewith makes a communication.

On the 26th of October 1869, I informed Y. E. that the articles of the revision of the British Treaty, including those relating to the tariff, had been signed and sealed [by the negotiators]; and I now have the honor to send you a copy of them all, together with the memorandum agreed upon by both parties, which have been printed by the Foreign Office.

(One Inclosure)

To His Excellency S. Wells Williams
United States' Chargé d'affaires ad interim.

Tungchi, 9th year, 1st moon, 17th day. (February 16th 1870)

Disp: No 75
Inc B.

Memorandum attached to Revision.

October 23. 1869.

The Undersigned makes the following communication to H. R. Highness Prince Kung

It has been agreed, on the part of the high contracting parties to the Convention this day signed by their respective Plenipotentiaries, that the ratifications shall be exchanged in Peking. And it is distinctly understood that effect shall not be given to the several articles, except with mutual consent, until it may be possible to arrive at a common understanding with the other Treaty Powers that their respective subjects, in becoming entitled to the rights and advantages therein conceded to British subjects, shall, in like manner as these, be bound by the conditions thereto attaching. And to promote this end with the least

least possible delay, it has been agreed that each of the high contracting Parties shall use their best efforts, and invite the adhesion of the other Powers to the terms and conditions of the Convention

It is further understood, that in reference to the ports of Wänchow and Wuhu, British subjects shall enjoy the same advantages and immunities as they enjoy at the ports already opened to trade.

It is also understood that in connection with Art. x., China will, in addition to licensing pilots, take such measures as may be necessary for the effective lighting, buoying, and policing of the ports and rivers opened to trade; and generally for the conservancy of the same, for which purpose the tonnage dues shall be held destined. It is further

understood

understood, that a general statement of such measures, with the amounts expended and still in reserve, will form a part of the Returns made public each year by the Imperial Customs, in connection with the movement and progress of foreign trade.

Her Majesty's Government, on their part, agree to give every assistance to the Chinese authorities to enforce their rightful jurisdiction in these waters, and to insure due respect, on the part of British ship-masters and others, to such rules and regulations as shall from time to time be found necessary for the effective conservancy of the ports and rivers open to foreign trade.

It is further agreed, that for the present, Art. III., which stipulates for the compulsory payment of transit duties

at

at the place of importation on certain British imports, shall not take effect in the province of which Newchwang is a port

(Signed) R. Alcock

Disp. 75
Inc. C

Legation of the United States,

Peking, February 19th. 1870

To His Imperial Highness Prince Kung.

&c &c

Sir,

On the 26th of October last, I had the honor to receive the dispatch of Y. I. H., in which you informed me that the revised articles of the British treaty had been signed and sealed, and that you would hereafter send me a copy of them. In your dispatch of the 17th inst., you transmit a copy of the revised articles and the changes made in the tariff, together with the memorandum agreed upon by the contracting parties.

It appears from this agreement, that in order that other countries may obtain whatever advantages these articles give, the

subjects

subjects of those countries must conform to their conditions; and, that, in order to avoid the evils of delay and separate action, the Treaty Powers will be invited to join in accepting them.

I have accordingly transmitted copies of these documents to the Government of the United States for its consideration; and have, at the same time, explained the advantages of the several stipulations, and the bearing of these new regulations, with a recommendation that they be accepted

I have the honor to be,

Sir,

Your Imperial Highness'

Obedient Servant,

S. Wells Williams

Mr Brown Disp. No 75
Inclos. D.

SHANGHAI GENERAL CHAMBER OF COMMERCE,
SHANGHAI, 31st December, 1869.

To the Right Honourable

THE EARL OF CLARENDON, K.G.,

Her Britannic Majesty's Principal Secretary of State for Foreign Affairs.

MY LORD,

HIS EXCELLENCY SIR RUTHERFORD ALCOCK, on his recent visit to Shanghai, courteously communicated to some members of this Chamber the leading features of the Revised Treaty with China, concluded by His Excellency at Peking on the 24th October last; and, from another source, the Chamber has been put in possession of the text of the Convention itself, with the accompanying Regulations. On these, the Chamber begs leave to submit a few observations for the consideration of Her Majesty's Government.

The Chamber of Commerce desires to make some remarks on the Supplementary Convention.

The opinion of this Chamber on the points of the Treaty of Tientsin which required revision, were already well known from the Memorial presented to H. M. Minister in 1867 and other documents. In these communications the Chamber expressed a decided opinion that the Treaty of Tientsin was, on the whole, well adapted to secure the objects for which it was made, and that it only failed in these objects in so far as its stipulations were neglected. The Chamber, therefore, in its Memorial of 1867 urged—

The Treaty of Tientsin was satisfactory on the whole. Hence the Chamber has urged

(1.) A further development of those principles of the old Treaty which had been proved by experience to be productive of benefit to the populations of foreign countries, the population of China, and the respective governments; but above all,

an extension of its principles, and

(2.) It urged that more efficient measures should be adopted to secure the implicit observance of these Treaty stipulations.

the strict observance of its stipulations.

The main purpose of all foreign treaties with China is the extension of trade. It is for this purpose that the Chamber of Commerce exists, and it is presumably for the same purpose that European governments maintain relations with China. The interchange of useful commodities is held by all civilised nations to be beneficial alike to the producers, the consumers and the intermediaries. The Chamber of Commerce has therefore felt itself in accord with the views of all the governments and people of Europe and America in advocating the extension of commerce in China.

The object of the Treaties is the encouragement of trade which civilized nations think a worthy object.

The means at various times suggested for the improvement of trade in China may be briefly summarised as facilities for the transport of Chinese produce from the interior to the coast ports, and of foreign manufactures and merchandise generally from the coast ports to the interior. The introduction of foreign manufactures into China is now regarded as an object of primary importance to foreigners, but most especially to the population of Great Britain who depend so much on foreign markets for their subsistence; and the remarkable progress that has been made lately in this branch of trade, in consequence of the removal of a few of the obstacles which retarded it, has given an essentially practical turn to these questions, for it has disclosed a vast consuming power in China formerly only suspected, and it has demonstrated what are the most effective means of bringing the products of Western industry within the reach of the Chinese consumers.

Facility of transport has been advocated, and has greatly promoted the introduction of foreign manufactures into China.

The chief obstacles to the extension of trade are the difficulties of conveyance and excessive inland taxation, which have been partially met by the Treaties of Nanking in 1842 and of Tientsin in 1858. They have failed chiefly in dealing with inland duties.

The obstacles to the growth of this trade have been briefly the difficulty, delay and expense of transit, and irregular and excessive inland taxation. The efforts of merchants and official representatives of foreign Governments have been directed towards overcoming these obstacles. The first great success in this direction was achieved by the Treaty of Nanking, which opened five new ports, thus shortening the distance between the foreign merchant and the consumer of his goods. The second great success was the Treaty of Tientsin, which opened five more ports on the coast, and three on the Great River. These advances have been followed by an enormous increase in both the export and import trade in China.

These have been regulated within a small area with excellent effect,

Where these arrangements have most conspicuously failed has been, in the attempt to deal with the question of inland duties. In the Treaty of Nanking, the important concession was obtained that foreign goods would be allowed to pass free of duty to every part of the Chinese empire on payment of a fixed charge. The amount of this commuted charge was never determined, and the stipulation in the Treaty remained a dead letter. This was the state of affairs when the Treaty of Tientsin was under negotiation, and in that instrument a considerable step in advance was made in the application of the principle of commutation. Narrowing the sphere of its operation, without abandoning in principle the general concession obtained in the Nanking Treaty, a certain measure of success was obtained by the late Lord Elgin in the endeavour to reduce or commute the inland taxes on merchandize, on an equitable basis. The principle established by Lord Elgin was that any British subject might convey goods to or from the interior free of taxation, on payment of a fixed duty of 2½ per cent. *ad valorem* in addition to the Tariff duty, it being optional with British subjects to avail themselves of this arrangement or not. The various interpretations which have from time to time been put upon this agreement, successively more and more favouring a restrictive reading, the neglect to give the natives the benefit of similar privileges, and the circumscribed area within which the arrangement has been accepted by the Chinese have limited its advantages in a degree not contemplated by Lord Elgin. Yet even with these restrictions the agreement has been productive of most important benefits to trade; and it seemed to the Chamber that nothing better could be desired than to render its operation more complete, and to widen instead of narrowing the meaning of the privilege. This was the tenor of the suggestions the Chamber of Commerce submitted with reference to the revision of the Treaty.

and the area ought to be extended.

The application of steam transport also demands encouragement.

Another point on which the Chamber laid great stress was the improvement of communication, that is the substitution of cheap, safe and rapid transport by steam for the slow, dangerous and costly methods at present in use; and it urged the perfect success of the experiment so far as it had been made as a reason for an extension of the same system.

Specific measures proposed are subsidiary to these main objects.

The main object of the Chamber's solicitation being the improvement of transport and the adjustment of transit taxes for the benefit of trade, the specific measures recommended have been subservient to the end in view, the attainment of which, however, by any other means would have been equally acceptable. If, for example, the right of residence in the interior was urged, it was as a means of checking the irregular local levies on goods; and if the efficient working of Chinese coal mines was recommended, it was as a means of supplying cheap fuel for steam-boats, and thereby improving the communication on the coast and in the interior as far as steam was permitted to be used.

From this point of view the Chamber will consider the Revised Treaty.

It is in their bearing on these central questions that the provisions of the new Treaty must be considered by the mercantile body; and it is hoped that this explanation of the point of view from which the Chamber of Commerce regards these questions, may obviate any misconception as to the tendency of the remarks which follow. Without further preface, therefore, the Chamber will proceed to the consideration of the more prominent features of the new Convention.

Opening of two ports is good in its degree, but important fields in the interior where steam could be effectively introduced have been neglected.

The opening of a new port on the coast, Wên-chow, (Art. VI.) and of another intermediate port on the River Yang-tsze, Woo-hoo, (Art. XIII.) are steps in the direction of progress; and the Chamber of Commerce believes that benefit will follow. But the Chamber cannot help expressing its disappointment that no advance has been made in opening the Great River higher up than Hankow; that important openings for commerce on the River Han have been passed over; and that the large producing and consuming province of Hoo-nan, drained by the navigable river Seng has been neglected. The extraordinary development of trade which has been caused by the opening of the Great river to foreign steamers so far is a guarantee of similar satisfactory results should a further extension be agreed to. The rich and populous province of Szechuen would become an important market for foreign goods, and would probably furnish some further articles of export to foreign countries, a desideratum which has been often felt in the trade. The advantages which have accrued to commerce from the partial opening of the Yang-tsze, and the advantages to be expected from further opening it, are clearly set forth in

a Report to the Chamber by delegates sent to examine the subject, a copy of which is herewith submitted.

The promised opening of some of the numerous coal mines in China, (Art. XII.) would be a matter of great satisfaction to the Chamber, if it could rely on its being carried out effectively. But the arrangements are so undefined, and appear to be left so much to the discretion of the Provincial Authorities, that facilities for evading the agreement without committing an open breach of Treaty are amply provided, and the Chamber can only express its doubts as to the practical value of this apparent concession. Two out of the three localities in which the permission is granted are already extensively worked by the natives. The desideratum is only foreign machinery and engineering skill, and this is precisely what is not secured by the Convention.

Opening of coal mines is good if faithfully carried out; but the permission is too limited, and the wording of the Treaty leaves much room for evasion.

The new Rules for travelling and residence in the interior (Rule 7) are far from meeting the actual wants. The prohibition of any but the primitive mode of locomotion in use by the Chinese leaves the privilege of travelling in no better a position than it is in at present, as is very clearly pointed out in a letter from Count de Lallemand, Minister of France, to Sir Rutherford Alcock, dated 9th August, 1868. The right conceded of travelling on the rivers in a "foreign-owned" vessel is of no appreciable value, for it is of no consequence to a person availing himself of the right of travelling in whose vessel he goes, but it is of importance to accomplish a voyage against a current in two days, which at present occupies three weeks, and this is the point at which the new Treaty stops short.

The prohibition of the use of steam in travelling is unsatisfactory.

The right of residence also is restricted by rules which greatly diminish the value of the privilege. A merchant may hire a house in an inland city, and transact business, but he must not exhibit his name on the door. This restriction places him in the false position of appearing to act in a clandestine manner, which is not calculated to ensure respect for foreign merchants. Moreover, it is stipulated in the Regulations attached to the Treaty, that a foreign merchant is not to interfere to protect his landlord from taxes. The Chamber cannot but regard this provision with suspicion, since the very purpose for which residence in the interior has been sought by the Chamber is to afford the merchant an opportunity of protecting his merchandize from illegal taxes.

Right of residence in the interior is saddled with suspicious conditions.

It is not probable that the privilege of residing in the interior would be very extensively taken advantage of. If the Chinese Government respects its obligations in the matter of transit, and other levies on goods, there would not be such strong ground for merchants seeking the privilege, whatever might reasonably be demanded in the name, and as a common right of humanity. To deprive the merchant residing in the interior of the power of protesting against imposts whether on the house in which he lives or on the goods which he buys and sells, which unduly burden his trade, is therefore to give him the shadow without the substance, and is likely enough to render the apparent concession worthless for business purposes.

Merchants desire the right chiefly as a check on illegal exactions on merchandize.

No difference of opinion can exist as regards the beneficial nature of the agreement by the Chinese government to frame a Code of Rules for mercantile transactions, (Art. IX); and of the promised international Court.

The intention to frame a code of rules is regarded with satisfaction.

There are also several matters more of detail than of principle provided for in the New Treaty which cannot but prove advantageous to trade. Among these are Bonded Warehouses, and other business facilities. But these and such like provisions being urgently demanded in the interest of natives as well as foreigners can hardly be looked upon as concessions for which consideration ought to be given on either side.

Bonded Warehouses and other details will also prove beneficial.

But the most important feature in the Revised Treaty is beyond doubt the question of Transit Dues, as contained in Articles III and IV. The difficulties in the way of a practical solution of this question have been felt to be great, and numerous suggestions have been from time to time made by the Chamber of Commerce and by individual merchants, from all of which the settlement arrived at in the Supplementary Convention differs materially; but that is no reason why it should not be equally acceptable if it meets the case.

The Transit Due clause is the important feature of the Treaty.

The solution offered is different from those advocated by the Chamber.

> ART. III. runs as follows:—It is agreed that articles of the following classes and denominations, namely, Cotton, Linens, Woollens and Cotton Mixtures, &c., imported by British merchants, shall pay both Import Duties and Transit Dues simultaneously at the time of importation; on the other hand China agrees that the above mentioned commodities imported by British merchants and having paid Import Duties and Transit Dues simultaneously at the time of importation, shall be exempt from all other taxes and charges whatsoever, in treaty port provinces.

The Chamber welcomes this explicit admission of the right which it has always claimed was conferred on Trade by the Treaty of Nanking, viz.,—that Foreign Goods, irrespective of ownership, are entitled to traverse the empire freely for a fixed payment of Transit duty. The concession is now made in language which cannot be misconstrued, and though certain limitations, geographical and

The declaration that foreign goods in the possession of natives are entitled to the Transit Due privilege is important;

otherwise, are attached to it, it cannot be denied that it will confer a boon on trade,—*if carried out.* There is, however, the alternative of its not being carried out to be considered; and in this view it is important to note a new element which has been introduced into the Supplementary Convention, viz., the compulsory payment of the commuted Transit Dues, which hitherto has been optional with the foreign merchant. Thus, if the new agreement be *not* observed by the Chinese government, trade, instead of being benefitted by the Treaty, will be simply subjected to an additional burden. The value of the new Treaty, therefore, depends on the guarantees that may be exacted for its fulfilment, and this is the point which the Chamber is most anxious to press on the attention of H. M. Government. All experience unfortunately leads to the conclusion that the new Transit Duty clause will not be effective, and if the Chamber indicates some of the points in which it is most likely to fail, H. M. Government may be aided in forming its own opinion as to the probabilities of the successful working of the new agreement.

but as payment of commutation is made compulsory it will inflict a burden on trade if Chinese obligations are not fulfilled.

Experience suggests grave doubts on this point.

The administrative system of China offers serious obstacles.

The fiscal and governmental systems of the Chinese offer a serious obstacle. The provinces of China, as H. M. Government is aware, are treated by the Emperor's government almost as tributary states, the provincial Governors being bound to send contributions to Peking according to their ability, these contributions as well as the larger portion of the ordinary Customs' Revenue forwarded from the provinces to the capital being practically withdrawn from the general administrative purposes of the country. Under these circumstances it has been felt that it would be an injustice to make such terms with the Imperial Government as would deprive the provincial authorities of their natural Revenue, and taxes on goods in transit are a recognised source of revenue to them. This particular difficulty has been tacitly admitted as a palliation of the refusal by many of the provincial authorities to give effect to the existing transit arrangement; and with this state of affairs before it the Chamber of Commerce has endeavoured by various suggestions to meet the claims in question by paying over the commutation for Transit Dues to the Provincial instead of into the Imperial Exchequer. The difficulty is now assumed to have been suddenly overcome, and though no stipulation as to the manner in which the distribution, if any, of the new levy is to take place has been made public, the Imperial government undertakes for a payment made to itself to frank foreign goods over the empire. Is it able and willing to do this?

Provincial Revenues not provided for.

Can the Imperial Government override the claims of Provincials?

It has shown no will or power to do so heretofore.

The facts have been that, wherever the carrying out of the Transit system has been opposed by the local governors (and that is almost everywhere), it has remained a dead letter, for the Imperial Government has taken no efficient action to put it in force.—

The farming of Imperial barriers offers another serious difficulty,

But there is another branch of the fiscal system of the Chinese which is directly opposed to the working of the new Transit agreement. Not only does the Peking Government exact tribute from the provinces, but it has established barriers on the great water routes for the express purpose of taxing merchandise in transit for the direct benefit of the Peking Treasury—that is to say, the barriers are farmed out to speculators who are held independent of the provincial authorities. How the government proposes to reconcile the claims of that class with the stipulation in the new Treaty is not explained.

as was well illustrated by the Hwai-Kwan barrier in 1868.

The effect which these establishments have on trade was well illustrated last year in the case of the Hwai-kwan barrier on the Grand Canal, 90 miles from the Treaty port of Chinkiang. The proprietor of the station who had farmed the dues from the Peking Government, resisted the operation of the Transit Pass provision, and went the length of maltreating and imprisoning the native agents of British firms who were engaged in conveying goods through the barrier under Transit Pass issued by the Custom House at Chinkiang. The opposition of that official was so determined that the Transit Passes were in danger of going out of use altogether, as Europeans could not possibly accompany their goods on every occasion. Trade was almost stopped for a time at Chinkiang in consequence of these difficulties. By a singular coincidence the outrage on Missionaries at Yangchow in the same neighbourhood occurred nearly at the same time, and the demonstration by which Mr. Consul Medhurst obtained redress for that outrage, was brought to bear also on the incumbent of the barrier. Under the pressure thus applied he relinquished his pretensions, and from that time no attempt has been made to dispute the validity of Transit Passes on that line of traffic. The stimulus the removal of that one obstacle has given to the trade of Chinkiang is almost incredible. The quantity of Grey-cotton goods disposed of at that port in the first half of 1869, has been 171,503 pieces against 54,873 pieces in 1868, the increase being in a great measure traceable to the settlement made with this one barrier. And as the quantity of foreign goods that pass through the barrier in a given

The settlement with that one barrier has caused an enormous increase in trade;

space of time in 1869 is more than tenfold what it amounted to in the same space of time in 1867, it cannot be doubted that the moderate commutation of 2½ per cent on the greater quantity supplies a a larger revenue than the most excessive levies could have done on only one-tenth of the business, so that while trade has gained, the Chinese Revenue must have gained also. But it is quite certain that a naval force would never have been put in motion to redress the barrier grievance by itself—indeed, as it was, H. M. Government disapproved of the demonstration that was made—and it is equally certain that no other means that have ever been tried would have had the least effect on the practices of the establishment in question,—and the Hwai-kwan barrier is only one of hundreds distributed all over the country and conducted on similar principles.

But the same measures will not be adopted with other barriers.

In order therefore to give effect to the agreement in the new Convention it is evident to the Chamber that the Chinese Government must make some very material changes in its financial system. An entire revolution in the mode of raising and of applying the Revenue would indeed be regarded with satisfaction by all who take an intelligent interest in China. If the Government at Peking really made itself a central government, and assumed the responsibility of administering the finances of the empire, it might be hoped that such calamities as rivers breaking their embankments because the funds collected to keep them in repair had been applied to the private use of the local officials, would not occur, and that such important lines of communication as the Grand Canal would not be allowed to run dry merely because some unprincipled official neglected to keep his portion of it in order But such a revolution, however desirable, is not to be easily nor rapidly accomplished, and it will require some stronger evidence than is to be gleaned from a mere inference from a clause in a foreign Treaty to make the change even credible. The faithful performance of the agreements contained in the new convention requires that a financial revolution should take place in China, but the alternative, that the convention will not be faithfully performed is unfortunately the more probable.

To put the new Treaty in force will require a financial revolution in China.

But even if it be assumed that both the barrier question and the question of taxation on goods generally are satisfactorily disposed of there would remain other means of indirectly burdening the goods in a way that the Convention does not seem especially to provide against. When the Transit Pass system was enforced in the case of Silk coming from the interior to Shanghai, the simple expedient of taxing the Silk hongs in the Country was resorted to and is at present in force, so that the Silk trade enjoys no benefit from the Transit privilege, but on the contrary it pays the full Transit and Export Duty, and indirect taxes levied on the dealers besides, which bring the whole payment to nearly treble the amount authorised by Treaty. Within the limits of the foreign settlement of Shanghai manufactured goods imported from Europe which have paid full Import Duty, are again taxed by the local officials at a higher rate than the Treaty stipulates should indemnify them from taxation all over the empire. An attempt to levy this local tax on the goods as they left the foreign warehouses was indeed successfully resisted as a palpable infraction of the Treaty; but this merely necessitated a resort to other means, and the tax is now levied on the native dealers, the guilds being made responsible for its regular payment. Seeing then that the whole Treaty allowance of inland duty is thus exceeded before the goods have travelled a quarter of a mile from the importer's warehouse; and that this regular evasion of the terms of the Treaty is carried on openly, under the eyes of the foreign merchant, and in presence of the largest Consular and Custom House staff in China, what is to be expected at the numerous inland stations where no such checks exist? The indirect method of evading the Transit clause has also been adopted as regards Tea in the districts of Hoopeh. And if even the hong tax failed, a poll tax on the dealers in certain goods might be instituted,—in short, there are innumerable means of evasion, where open resistance to the Treaty provision is not resorted to. For, though the Convention is ostensibly levelled specially at the li-kin or war tax, it has been declared by Sir Rutherford Alcock to cover not only Provincial and Barrier Dues, but local and irregular levies of all kinds, and indirect taxes, such as a house tax, when imposed as a substitute for a tax on merchandise. Taking Rule 7, appended to the new Convention, as bearing on this point, it would appear to the Chamber that the strange provision to the effect that British merchants occupying hongs in the interior, are not to interfere to protect their Chinese landlords from taxation, affords exactly the loophole the authorities would desire to enable them to escape from their obligations.

But if the Barrier levies and other direct taxation on goods were disposed of there remain many indirect means of taxing trade which are well known to the Chinese.

And no provision has been made to meet them.

The presumption therefore against the fulfilment of the Transit clauses in the new Convention, amounts almost to a certainty. If the Chinese Government is disposed to reform its internal administration—of which there is no evidence whatever—it will even under favourable circumstances be a slow process. But in the meantime, by the new Convention, foreign trade is made to pay in advance the price of a privilege which can only be given effect to after the Chinese reform has been accomplished; and in Sir Rutherford Alcock's words, "it is suggested (by his colleagues) that

It is almost a certainty that the Chinese engagements under the new Treaty will be violated;

and that the compulsory payment of Transit Dues will inflict an extra burden on trade.

nothing is really certain but the addition of 2½ per cent. to the import duties." The conclusion is irresistible that, to a very great extent, the commutation of Transit Dues which is made compulsory by the new Treaty, will simply become an additional tax on trade without any return whatever, and that the provincial authorities will as heretofore tax goods in transit very much as they please, the Treaty stipulations to the contrary notwithstanding.

And no means of redress have been provided.

Seeing then that the merchant—or rather the trade generally, for the manufacturing population of England is the class chiefly interested—is placed at this great disadvantage of having to part with his money on the faith of a Treaty which he believes will be evaded, the next important question is, what means of redress and restitution are provided? and what likelihood is there of these being put in force? Here again, the Chamber is bound to say the new Treaty is defective. Sir Rutherford Alcock did mention, in conversation, that the fund from which reclaims would be met would be the Customs' Duties at the nearest Treaty port, and that the Foreign Customs' officials are to examine, and probably adjudicate on such claims. Neither in the text of the Treaty, however, nor in the Regulations appended, is any such provision to be found. And if it were, it would afford no real guarantee to the merchant.

Satisfactory evidence of in and extortions would be almost impossible to procure from Chinese dealers by whom nearly the whole trade would be done,—

The first difficulty encountered would be the procuring of evidence. The goods sold by foreign merchants must be conveyed into the interior by Chinese, and it is well known that no amount of extortion would induce them to come forward and give evidence against the officials. And if they were ever so willing, in the majority of cases it would involve so much trouble and loss of time to return to a Treaty port and prosecute a reclamation for overcharges, that the matter may be considered impracticable. Goods change hands many times and pass through many taxing places on their way to the consumer in the distant interior; but it would be out of the question to expect these intermediaries, strangers to foreigners and foreign treaties, to make long journies to Consular ports for the purpose of furnishing proofs of illicit charges to the foreign importer, who alone, as it appears, would ever be able to make good a claim for refund. Within a limited area it is feasible for foreigners to send their Chinese agents, either to convey goods short distances into the interior, or to purchase and bring down native produce. But the amount of business that can be done on such terms is a bagatelle compared to the whole interest at stake. Even in such cases, however, it has been found that the barrier officials and others quickly discover that written receipts may be brought up against them as evidence, and consequently decline giving them, simply refusing to allow the goods to pass until the amounts demanded have been paid. Thus the victim of the extortion is deprived of documentary evidence, and the mere testimony of Chinese has been held by Sir Rutherford Alcock insufficient to establish a claim for redress. It may be presumed that more weight would be attached to the oral testimony of Europeans; but, from the nature of the case, it is hardly possible to procure this kind of evidence. It is possible occasionally to send an experimental shipment of goods in charge of a European to a short distance; but the taxing officials, who know they are breaking the Treaty, are likely enough to waive their demands in his favour, and thus his object in seeking evidence of habitual extortion, as practised on natives similarly engaged, would be frustrated. Even the notorious Hwai-kwan barrier official made this concession to Europeans when they appeared in person.

very difficult from Chinese Agents of foreigners through whom a small proportion might be done,—

and from foreigners in person who might occasionally convey goods as an experiment.

Thus, then, it is obvious that such evidence of illegal exactions in the interior as would be deemed satisfactory is virtually unobtainable. And the merchants who have paid the Transit Dues to frank their goods all over the empire, will have small chance of recovering the further charges which they may be subjected to.

If evidence were accepted the actual restitution would be also next to impossible.

But even supposing these obstacles to procuring evidence overcome, and the reclaims by merchants for imposts illegally levied are proved in such a manner as to be unchallengeable, there remains the important question of actual recovery, and this has heretofore been the most difficult of all. When cases of reclamation arise the aggrieved party applies to the Consul, who goes through certain formal correspondence with the native authorities which is soon found to be unprofitable, and as a last resource the matter is referred to Peking; "and then (writes Sir R. Alcock) commences an interminable series of references backwards and forwards,—a see-saw of correspondence on both sides between the ports and the capital, and no final solution is ever arrived at." If the matter is still pressed by the merchants, it is ultimately referred to the Home Government, as in the case of the "Sung-yang" claims, and the merchant at last gives up all hope of redress. But even in cases where the Chinese authorities cannot escape an admission that the claim is a just one, and go the length of ordering, or professing to order, the provincial authorities to make the payment that

does not at all settle the matter. There are claims pending now called the Nanzing duties,* which were acknowledged to be just by the Peking government many years ago and settled so far as negotiation could settle them, but which, with the exception of a portion of the amount, remain unpaid to this day.

The Chamber has good reason, therefore, to fear that merchants will not be successful in recovering sums wrongly exacted after the new Treaty shall have come into operation.

The Chamber would be the last to overlook or disparage the real benefits which the Transit clause in the Treaty of Tientsin has conferred on trade, for, limited as has been the application of these provisions, the result has been satisfactory beyond ordinary expectations. Nor does the Chamber believe that the new Treaty would not be to some extent obeyed. The promulgation of an Imperial edict declaring in explicit terms that Foreign merchandize, by the fact of its being such, is free from all taxation whatever, could not be wholly barren of results, and one or two of the most accessible barrier stations would have to succumb to the new order of things. But the carrying out of the new Treaty, in anything like its integrity, depends on so many highly improbable events that, in the opinion of this Chamber, it would be too one-sided a bargain to make the foreign merchants pay down an extra duty without any guarantees of an equivalent more satisfactory than those hitherto possessed. The Chamber is unwilling to cast doubts either on the good faith or efficiency of the Chinese Government, but experience justifies suspicion on both points, and if this Government really means to reform its system, it would be well to see first whether there is any reasonable prospect of its succeeding, before making over to it an extra duty which it only claims as the reward for that radical reform. To quote again the remarks of Sir Rutherford Alcock, "It would seem reasonable that, during the first year at least, all amounts collected under the new arrangement as transit or barrier dues, should be carried to a separate account by the Maritime Customs, and held in reserve to meet any claims for compensation in cases of loss or prejudice sustained by failure of execution."—(Memo. of 8th September, 1858, to Tsung-li-yamun.) That is to say, the Chinese should first prove their will and power to carry out their portion of the bargain before they received the recompense,—a safe principle, but unfortunately discarded in the Treaty itself.

The Chinese Government should first prove its ability and inclination to carry out its share of the bargain, before receiving the extra duty.

* MEMORANDUM OF CLAIMS FOR REFUND OF ILLEGAL LEVIES OF SILK TAX.

Date of Claims.		Claimant.	Locality.	Amt. in $	Amt. in Tls.
1861				$	Taels.
June	21	Dent and Co.	Nanzing	106	530
,,	26	Jardine Matheson and Co.	Huchow	—	365
,,	29	Richardson	do.	—	315
August	16	Do.	Nanzing	200	—
,,	19	Lindsay and Co.		126	630
,,	21	Jardine, Matheson and Co.	Nanzing	—	945
September	7	Lindsay and Co.	Huchow	—	975.4.4
,,	25	Reiss and Co.	Nanzing	—	310
,,	28	Do.	Huchow	—	110
,,	28	* Lindsay and Co.	do.	402	1,430
October	3	Richardson	do.	—	260
,,	10	Johnson and Co.	do.	—	510
,,	30	† Jardine, Matheson and Co.		213	4,315
July	11	G. Brand and Co.	(Sp. Dollars)	143	826.4
,,	16	"Kinkee" (?)		—	50
October	25	‡ C. L. Richardson		—	
				$ 1,190	Tls. 11,571.8.4

* Also Cash 228.000
† ,, ,, 450.000
‡ ,, ,, 225.595
1,203.595

MEMO:—This list is compiled from the correspondence (Chinese) for 1861. No list having been kept at the time, it is not possible to state whether the above comprise all the claims sent in.

(Sd.) W. S. F. MAYERS.—*Interpreter.*

SUMMARY.

Amount of Claims for Nanzing Duties.

Dollars ... ... (Qy. Mex.)	1,190	= Sh. Taels	892.50
H. Taels	11,571.84	= ,,	12,891 03
Cash	1,203,595	= ,,	802.00
Total claims of which the Consul has record		Tls.	14,585.53
Amount Returned in Ningpo drawbacks	H. Tls. 6,962.43 3	= Sh. Tls.	7,756.15
Balance unpaid		Tls.	6,829.38

The Chamber has note of a claim omitted from the above, consisting of Tls. 5,790, Dollars 1,068, and Cash 255,120.

If the Peking Government be sincere in its engagement to guarantee for a consideration that inland taxation shall be withdrawn, (and its sincerity is taken for granted in the new Treaty) it can offer no valid objection to the payment of the consideration being made optional, for the commutation is certain in that case to be universally taken advantage of, and to yield as large a revenue as would be raised under the compulsory system.

The execution of the Treaty by the Chinese depends on foreign Governments insisting on it or not.

The Chamber would now beg respectfully to point out that the observance of Treaties in China depends in a very great degree on the action of foreign powers, and if H. M. Government is not disposed to insist on a due observance of at least the plain business articles of the Treaty, then the Chamber deprecates a bargain which involves the forced payment, by foreign merchants, of a large sum of money with no better guarantee for its expected equivalent than the promise of a Government that has hitherto shown such indifference to its engagements. And this Chamber therefore prays that the Transit Dues arrangement may not be accepted without at the same time an assurance being given to the manufacturing and commercial communities of England and China that the numerous claims for redress, which will be the offspring of the new Treaty will receive efficient support from H. M. Government.

H. M. Government should not accept the Transit Dues arrangement unless it undertakes to support in an effective manner the claims which will arise out of it.

Existing provision is sufficient, if extended to natives, as may now easily be done.

The Chamber of Commerce is of opinion that the system of optional commutation of Transit Dues at present partially in force possesses many advantages over that proposed in the New Treaty. It is already respected by the authorities in certain places, and is becoming better known in the interior of the country. The thing needed to give fuller effect to it is the recognition by the Chinese authorities that the Transit Dues privilege attaches to the goods themselves, irrespective of the individual in whose temporary possession they may be found, a principle which is in as full accordance with the spirit and intention of the Treaty of Nanking as it is with justice and sound policy. The chief defect of the existing provision is the exclusion of natives from the privilege of taking out Transit passes in their own name. But since the Supplementary Convention so plainly asserts what this Chamber has always contended for, that it is the merchandize and not the merchant that is intended to be covered by the concession, it would appear that no difficulty would now be experienced in modifying Article XXVIII of the Treaty of Tientsin in harmony with the doctrine so clearly laid down.

Native merchants are very desirous of availing themselves of the privilege.

If in spite of the notorious opposition of a majority of their own authorities the Chinese people have hitherto shown so great a desire to possess themselves of Transit passes protecting both imports and exports, but more particularly the former, as is shown by the existing state of Trade at Chinkiang and other places, and by the fact that they are willing to pay for the use of foreign names, it may reasonably be concluded that under a system of certificating goods which would have the honest support of the authorities, and be lawful alike for the native and the foreigner, and not as now for the foreigner alone, the practice would become universal throughout the Empire to the great benefit of Trade, and without danger of injury to any one.

Foreign merchants seek no exclusive privilege.

The Chamber has never sought exclusive Commercial privileges for Foreigners in China, nor would it feel confidence in any that were granted on a basis so essentially vicious and unjust. The natives of China have heretofore enjoyed the chief benefit from Foreign Trade, and no Trade in this country would deserve the sanction of international covenants which had not the improvement of the condition of the natives for one of its most fundamental conditions. It may not be incredible perhaps to H. M. Government that Chinese statesmen are neither alive to their own true interests nor wisely careful for those of their people. And certain passages in the communications that were interchanged last year among the diplomatic body at Peking during the discussions on Treaty Revision evince on the part of the High Chinese Officials, either great indifference to the natural rights of the Chinese people, or great insincerity as regards their engagements with Foreigners. In one of the memoranda which Prince Kung and other Ministers addressed to Sir Rutherford Alcock this observation occurs,—"Lest the Foreign "Merchant should suffer by being wrongfully taxed a broad distinction has been made between "him and the Native Trader." It is needless to enter in detail on the abuses which must obviously result from such a state of things; it will be sufficient to quote the opinion of Mr. Dick, Commissioner of Customs, on the subject. "It is impossible" he says in a letter to the Chamber of Commerce dated May 1st 1869, "to administer properly a tax which is based on such a principle as that of discriminating between the nationality of the owners of goods. Chinese Merchants expend a considerable sum annually in paying Commissions to Foreigners for enabling them to evade it." The most charitable construction to be put on the passage from the Peking Memorandum is that its author failed to comprehend the important question with which he was

Chinese Government neglects the interests of the people.

dealing; for it should not be forgotten that the Chinese Government is ignorant of the modern discoveries in Political Economy which have so vastly benefitted the civilised world. The most friendly act which the Western powers could do therefore would be to enlighten the Chinese on these important subjects; to shew them that increased trade feeds and clothes the people, and that a thriving people is the safest support of a good Government. The idea on which Chinese rulers appear to proceed (while professing the reverse) that the interest of the people and of the Government are antagonistic, it should be the care of better instructed statesmen to dispel. The Chamber of Commerce at all events on behalf of the merchants of all nations desires to record its distrust of any measure that does not rest on the broad foundation of the welfare of all concerned, and in this spirit the Chamber deprecates the restriction implied in the language of Art. III of the Supplementary Convention which specifies goods "imported by British Merchants" instead of British Goods, by whomsoever imported, as entitled to the privilege of the Transit Dues arrangement.

from ignorance of the utility of liberal measures;

but the Chamber distrusts any arrangement which does not take the interest of the people into account.

The only other matters dealt with in the Supplementary Convention to which the Chamber desires to call attention are certain important concessions made to the Chinese Government in connection with the Tariff. The duty on Silk exported from China is doubled (Art. XIII), and the duty on Indian Opium imported, is increased by 66 per cent. (Art. XII). Without some explanation, the Chamber is unable to understand these alterations; for Sir Rutherford Alcock, in his memorandum of 8th September, 1868, deprecates any interference with the existing Tariff until a more comprehensive revision, with a view to simplification, could be entered upon.

Increased duties on Silk and Opium.

The Chamber cannot dismiss this part of the subject without drawing the attention of H. M. Government to the fact, that whereas in the nine provinces in which are Consular ports certain descriptions of foreign goods are to circulate freely without any certificate, in the remaining nine provinces of China which have no Consular ports Transit Passes are necessary to free the goods from inland levies. And as regards the latter provinces further important restrictions have been imposed by which the scope of the Transit Dues privilege is seriously curtailed. The Certificate according to Clause 4 of Rule I. appended to the Convention is only good for a specified place of destination, after passing which the goods are expressly held "liable to whatever inland charges, &c. the locality they are found in collects." This admission is a retrograde step, as it legalises what the Chamber has always regarded as an abuse. There are other conditions attached to the transmission of goods into the interior of the non-treaty port provinces, which seem little calculated to improve the position of the merchant. The clause above quoted states that if on examination at a Customs' station it is found that "the Certificate is for a less quantity than it is accompanied by, the goods concerned will be confiscated;" and *a fortiori* they will be confiscated if accompanied by no Certificate at all. But seeing that the pre-payment of the Transit Dues on all such goods is made compulsory, and that it is consequently impossible for any of the classes specified to be found in the interior that have not paid their full duty, and therefore impossible for any Revenue to be defrauded, there seems to be no reason for the introduction of the penalty of confiscation for what may be the accidental separation of the goods from the covering Pass. It would be sufficient that such an omission or accident should subject the goods to the ordinary transit taxes from which they had lost their protection. It may also follow from the provisions of Clause 4 of Rule I. that a diversion of a parcel of goods, from the destination originally fixed, to another which would have been equally covered by Transit Pass if previously declared would render the goods liable to confiscation. The practical effect therefore of Art. III. and Rule I. as far as regards the non-treaty-port provinces will be to secure an increase of Revenue to the Chinese Government without committing it to any engagement that it is not bound to under the optional system now in force (except that Chinese are to be put on the same footing as British merchants) while trade will in fact be hampered with many new and unnecessary restrictions. These restrictions will appear more important when it is remembered that three of the largest consumers of foreign manufactures are non-treaty port provinces, Hoonan, Honan and Szechuen. The ostensible gain in opening the little port of Woo-hoo on the River is that it adds one more to the list of the Treaty port provinces, and the important distinctions that have been made between the two sections of the empire affords a powerful argument in favour of the establishment of Consular ports on the great water routes in Szechuen and Hoonan, if not also in Honan.

Restrictions arising out of the disadvantages under which non-treaty-port provinces are placed seem to be unnecessary

They apply to a large proportion of the trade,

and afford a new argument for additional ports on Great Water routes.

A full exposition of the views of the Chamber of Commerce on the important question of Transit Dues was submitted to H. E. Sir Rutherford Alcock on the 11th November last, and as the paper in question is an exhaustive review of the subject, it is forwarded herewith for the information of H. M. Government.

A full memorandum on the subject is forwarded.

The first proposal by the Chinese to double the duty on both Tea and Silk was strongly opposed by the representatives of France, North-Germany and Russia, and in consequence the double duty on Tea appears to have been abandoned. But the amount so surrendered by the Chinese (Tls. 3,140,000 per annum) has been partly made good by the increased duty on Opium yielding an additional Tls. 1,250,000 of Revenue to China. As the immediate injury from the latter concession is sustained by the Revenue of British India, the representatives of other powers perhaps felt that it did not concern them. The Chamber, however, can hardly suppose the British Government will be so indifferent to the matter.

If duty on Silk be raised, then on

The increase of the Silk Duty is only intelligible on the principle that the Tariff attached to the Treaties of Nanking and Tientsin was based on an *ad valorem* duty of 5 per cent., a rate which has given entire satisfaction to the mercantile community. The Silk duty fixed in 1858 at Tls. 10 per picul has been found to fall short of 5 per cent. *ad valorem* in consequence of the extraordinary rise in the price of Silk. But seeing that China has no monopoly in the production of this article, and has to compete keenly with various other countries, it seems inconsiderate to make the present famine price of the article a reason for imposing a further burden on it.

Tea it ought to be reduced.

But if the plea of reducing the Tariff to its nominal 5 per cent. standard be the true reason for this proposed change, it naturally follows that those staples which now pay a duty much above that standard, have a claim to be relieved of the excess. The most important item in that list is Black Tea which, according to Tables published by the Customs, pays a duty equal to upwards of 11 per cent. *ad valorem*, and yields to the Chinese Revenue Tls. 1,250,000 per annum in excess of a 5 per cent. duty.

Opium already taxed above the 5 *per cent.* rate.

Opium already pays, according to the Customs' Tables of 1866-7, a duty of 6.76 per cent. *ad valorem*, and it is now made to pay 10 per cent. or double the Tariff standard, which acts as a protection to the increasing cultivation of Chinese Opium, a species of industry which the government professes to discountenance.

Sir Rutherford Alcock classes Tea, Silk and Opium as luxuries on which burdensome taxation is admissible; but apart from the fact that there is room for a different opinion on the subject, at least as regards some of the articles, the enormous commercial interests involved in such a trade as Tea and Silk, ought to save them from any such fanciful treatment.

The equivalents are comparatively insignificant.

The Chamber does not wish to ignore the fact that these two important modifications in favour of the Chinese Government, or at least against the interest of trade and of native industry, are set off against certain concessions on the other side. But an examination of these compensating items leads the Chamber to agree with Count de Lallemand, that the concessions we obtain are comparatively unimportant

The increased Duty on Opium is balanced against—

a—Right to travel in the interior in native looking vessels.

This right has been practically enjoyed since 1858, under the Treaty of Tientsin.

b—Bonded Warehouses.

Very useful, but a matter of detail which was in process of arrangement irrespective of the Convention.

c—Tug-boat on Poyang Lake.

This may prove useful or not as the Chinese choose to make it.

d—Tea bonds to be done away with.

This also is a matter of detail. These bonds have ceased to be necessary, and as they were imposed without Treaty, they could equally have been withdrawn without Treaty.

e—Coal Mines to be opened.

The Treaty avoids an explicit agreement as to the only important condition as explained at p. 3

f—Duty on native Coal brought from one Chinese port to another to be reduced.

The whole duty yielded was Tls. 554 in 1867; and under any circumstances it is hardly a measure which the Chinese Government can take credit for as a concession to foreigners.

The increased Duty on Silk is met by the following:—

a—Wu-hu, on the Yang-tsze-kiang, to be opened.

This is good in its way, but insignificant.

b—Foreign grain may be re-exported without duty.

It certainly did not require a Treaty to assert that right.

c—Dock stores are to be free of duty.

This is a useful definition of concessions in the previous Treaties.

d—Duty Free goods to be revised.

e—Foreign Coal and Guano to be imported free of duty.

The duty collected on Foreign Coal in 1867 was Tls. 5,672, on Guano Tls. 5,941 ; total, Tls. 11,613.

f—Duty on Watches, Pepper, Tin Plates and Timber to be reduced.

The aggregate of these duties for 1867 was Tls. 30,766.

The new Convention, therefore, contemplates burdening foreign trade on the two items—Opium and Silk—to the extent of Tls. 1,650,000 per annum with no adequate equivalent in trading facilities, and with no further concession in kind than a reduction in duty on articles, the total duty on which did not exceed, in 1867, Tls. 42,833.

In fact they are no equivalents at all, and the Silk and Opium clauses are exacted by the Chinese as pure and simple concessions.

And indeed taking the Treaty as a whole it is plain that the concessions it secures to the Chinese, or more correctly speaking, the burdens it imposes on trade, are of the most substantial character, amounting in money alone to the sum of Three million Taels annually ; whereas the counter-balancing concessions to trade are, as far as can be judged, of comparatively little value.

The Supplementary Convention, if not agreed to by all the Treaty powers places British subjects at an enormous disadvantage.

The Chamber would beg further respectfully to observe in connection with the fact that several of the provisions in the proposed Treaty are less favourable to British Trade than those of the Treaties with the various Western powers now in force, that it is advised that the "favoured nation clause" (Art. I of the Supplementary Convention) cannot have a retrospective effect in favour of British subjects. That is to say, the definitive surrender of a privilege existing under the Treaties of 1858, or a new obligation voluntarily undertaken on behalf of British subjects alone, will debar them from thereafter claiming the benefits of previous Treaties which they had in fact abandoned, even though other nationals might continue in the enjoyment of them. The result therefore of the ratification of the Supplementary Convention by H. M. Government, without identical concessions being made simultaneously by all the other powers will be either to transfer the Trade in Silk and Opium, and perhaps also in manufactured goods, from the hands of British to those of merchants of other nationalities, or to compel the British merchant to resort to the device of transacting his business in the name of some foreign employé, both results being unsatisfactory in the extreme.

If, after these frank expressions of opinion by the Chamber of Commerce, H. M. Government shall decide on adopting this Treaty, the Chamber would further urge this one condition, that it be made terminable at short notice should the misgivings of the Chamber prove to be well-founded.

I have the honour to be,

My Lord,

Your most obedient and very humble servant,

A. MICHIE,

Chairman.

TRANSIT DUES.

Memorandum upon Transit Dues for the consideration of the Shanghai Chamber of Commerce.

In a consideration of the bearing of Article 28 of the Treaty of Tientsin upon the question of Transit Dues, it is quite impossible to overlook the terms of Article 10 of the Treaty of Nanking, and the subsequent discussions between the Chinese Authorities and the Consuls at the Treaty Ports, regarding internal exactions upon foreign trade. The text of Article 10 of the Treaty of Nanking declares, that "the Emperor further engages that, when British mer-"chandize shall have once paid, at any of the ports, the regulated Customs and dues, agreeably "to the Tariff to be hereafter fixed, such merchandize may be conveyed by Chinese merchants "to any province or city in the interior of the empire of China, on paying a further amount "as transit dues, which shall not exceed per cent on the tariff value of such goods."

If language can be said to be capable of any definite meaning, the terms of this clause apply to British merchandize, as such, without reference to its immediate ownership, and no other supposition than that it was foreign trade generally, and not the individual foreign merchant particularly, which was intended to be protected, is reconcileable with the remonstrances which, from time to time, were directed by H. M. Consuls to the Chinese authorities on the subject of transit dues, and the negotiations regarding them, which took place between the signature of the Treaty of Nanking and the proposed settlement of the question by Art. 28 of the Treaty of Tientsin.

In point of fact, as neither imports nor exports, previously to the Treaty of Tientsin, with very few exceptions, were sent into or received from the interior on foreign account, the remonstrances of the Consuls must have been directed against the exactions on articles of merchandize, the subject of foreign trade while in Chinese hands; the principle of the general freedom of that trade from arbitrary local imposts being as indisputable a deduction from the text of the Treaty as it is consonant with justice and good policy. The British Government undoubtedly had in view the advancement of British trade, which it desired to free from irregular and prohibitive taxation by the same stipulation which secured to the Chinese Government a revenue, based upon a liberal scale of maritime duties and a fair system of internal levies. The terms of the Treaty of Tientsin are also quite in accordance with this principle.

The preamble of Clause 28 cites Art. 10 of the Nanking Treaty, and declares that the neglect of the Chinese authorities to comply with its provisions had been the occasion of constant complaint on the part of British merchants, as being the cause—not of loss to the individual, but of "detriment to trade."

It is most important to keep this point steadily in view, in presence of the distinction sought to be maintained between legal dues leviable upon articles of foreign trade actually in foreign hands, and legal dues upon articles of foreign trade in Chinese hands. It appears to be held, in influential quarters, that the Chinese authorities have the right, so far as Foreigners are concerned, to tax regularly or irregularly, under Imperial enactment, or at the will of the local officials, articles of Import to or Export from China, so long as they are in native hands, and that the application of Transit Passes to articles of foreign trade, not actually owned at the time of the issue of such passes by a foreigner, is a "fraudulent evasion" of legitimate duties. The Chamber, on the other hand, considers that Article 28 of the Tientsin Treaty, in connection with the preceding negotiations, and Article 10 of the Nanking Treaty, which is still in force, was intended to free articles of foreign trade, Import or Export, from all irregular exactions, and to subject them to a fixed scale of duties—that the system of Transit Passes was established, not so much for the protection of the individual foreigner, as for the protection of foreign trade generally; and not for the emancipation of that trade from legal dues, but as a provision against its being made the subject of illegal and arbitrary exactions. To adopt the theory which Sir R. ALCOCK supports, would be to recognize the principle of a

differential scale of transit duties between places in the interior and the port of import or export, in favour of the foreigner, and to the disadvantage of the native—a course of policy which, besides being eminently unjust, could not be expected to result otherwise than in complete failure.

The terms of the 28th clause of the Tientsin Treaty, after noticing the sudden and arbitrary charges, which, in contravention of the stipulations of the Nanking Treaty, had been imposed upon imports to and exports from Chinese ports, while in Chinese hands, and in course of transit to and from places in the interior, provide that the Chinese authorities shall, within four months after the signing of the treaty, on the requisition of any British Consul, declare what transit dues are legally leviable between any consular port and any given inland market, and as a special safeguard to foreigners, place at the option of British subjects the privilege of Transit Passes covering all goods, import or export, from further taxation, which shall have paid at the port of entry a fixed commutation of 2½ per cent ad valorem in addition to the maritime dues.

Thus Article 10 of the Nanking Treaty, and Article 28 of the Tientsin Treaty, considered together, seem to place it beyond question:

1st.—That merchandize, the subject of foreign trade, shall be liable only to a fixed scale of inland duties.

2nd.—That an ad valorem duty of 2½ per cent is a fair commutation of all such inland dues.

It is not easy to understand why the system of transit passes was not made applicable to articles of foreign trade without reference to ownership; and possibly the framers of the treaty may have desired to avoid a display of unusual interference between the Emperor and his subjects, but it is more likely that Lord Elgin considered his measure would be effective to secure the desired end. It is, as has been already said, impossible to suppose that he intended to drive all the internal traffic of the country into foreign hands, which must be the result of any effective regulation which would give foreigners the privilege of trading at a lower rate of taxation than the natives, and it is equally impossible to believe that he meant the clause to be ineffective. It is more than probable that he believed the privilege in question, in conjunction with the privilege of residence, would compel the Chinese Government to adopt a regular and fixed scale of internal dues on the basis of the 2½ per cent commutation; and in point of fact the measure has been not altogether unsuccessful in producing this result. In the provinces where transit passes are respected, say in Chekiang, in Hoonan, and in Keangsoo, the dues levied on merchandize, the subject of foreign trade, are much lower, and are more regularly levied, than in provinces where the issue of transit passes has been found useless. However this may be, it can hardly be doubted that the intention of the Treaty was that foreign trade, under the protection or otherwise of transit passes, should be liable to a fixed scale of internal and maritime dues, but should, at the same time, be exonerated from liability to irregular and arbitrary exactions in transitu, or at the port of entry or shipment. And if Transit passes guarantee the regular payment of all legal dues, where is the "fraudulent evasion" of the Chinese Revenue laws which the application of the protection to merchandize, the subject of foreign trade, but owned by Chinese, is alleged to involve?

If an evasion at all, is it not but an evasion of illegitimate and irregular levies, certainly unjustifiable in cases where the pass is issued upon a false declaration, but unjustifiable only quâ the falsity of declaration, not unjustifiable in respect to obligations to the Chinese Government. Sir Rutherford Alcock's argument that the fraud is proved by the desire of the Chinese to buy Transit passes, is somewhat analogous to the argument that a man who engages the services of a constable to protect his house from robbers must necessarily be hiring a bravo to pillage the property of his neighbours.

Transit passes may be classed under three heads.

1st.—Those applicable to foreign imports sent into the interior.

2nd.—Those applicable to Chinese produce exported to foreign countries.

3rd.—Those applicable to Chinese produce exported to coast ports in foreign vessels.

There is a fourth class, applicable to Chinese produce brought down from the interior to a treaty port, and sold on the spot for local consumption or for export in native vessels, but the instances of the employment of transit passes in this way, even if they have ever occurred, must be so few as not to be worth attention.

With regard to the first class, it can hardly be doubted that a foreigner is justified in sending foreign imports to the interior under the protection of a pass, even though he may have lost a complete right of property in them in a legal sense. He may send for instance Grey Shirtings hence to Soochow on payment of a certain duty. Ergo, he may sell them deliverable there, or what amounts to the same thing, he may furnish the buyer of them with a transit pass even though the buyer has paid for them. It does not require casuistical reasoning to defend the morality of a proceeding such as this.

In the case of the second class, the process is inverted, and there can be no injustice to the Chinese Revenue in the transmission of silk and tea intended for exportation from the interior to the coast under the protection of transit passes, which can be obtained only on the payment of all legal dues. Passing by for the present the question of an absolutely false declaration, the difficulty may be noted of defining with exactness the limits of rights of property which surely, when no revenue fraud is compassed, may be stretched without guilt to extreme points, especially under the consideration that foreigners have a prospective beneficial interest in the whole export.

The third class demands more consideration, and it is open to question how far the treaty intended transit passes to be applied to Chinese produce not sent out of China, but bearing in mind the principle that the system was established for the general protection of foreign trade, foreign trade can hardly be more accurately defined than by its distinguishing liability to pay a foreign trade tax. Merchandize shipped by a foreign vessel from one Chinese Port to another under a transit pass, pays, firstly the legal internal duties, secondly the maritime export duty, thirdly the coast trade duty. The sum of all these taxes far exceeds the sum of all the duties levied upon the same produce brought down from the interior without a pass, and shipped away in a junk, and so far from the Chinese revenue being injured by the process, it is materially benefitted. It may be urged that the produce may be brought down under transit passes and not shipped through the foreign Customs, but practically this is not the case. Whenever a branch of trade has been sufficiently important to make transit passes worth securing, the export of the produce, which is the subject of it, takes place almost wholly if not wholly in foreign vessels. It is stated that Ningpo is the port where the sale of transit passes has taken place most prominently, and that cotton is the article to which they have been applied. Now it is a fact that all, or almost all, the cotton which arrives at Ningpo is shipped away either to the Yangtze or Southern Ports in foreign vessels, and it may confidently be affirmed that the protection which these transit passes afford to the trade is in no little degree the guarantee of its existence.

Without it, the export of cotton from Ningpo would at all events be largely hindered; and the revenue therefore of the Chinese Government, derived from the issue of transit passes, is far greater and more cheaply collected than if the "fraudulent evasion" of illegal levies did not occur.

The Chamber, it is to be presumed, is far from defending the practice of selling transit passes, or from asserting the morality of a false declaration. It will no doubt repudiate on the part of its members the assumption that foreign merchants in China are not governed in their transactions by conceptions of integrity as high as that of any commercial body in the world; but in face of the irregularity of Chinese taxation, the rooted disorder of provincial finance, the injustice and oppression of arbitrary levies by Government officials on goods in transitu, the Chamber cannot do otherwise than regard with favour a system which evokes order out of disorder, and protects trade by the means which also secures to the Government

the revenue to which it is legally entitled, and it is not called upon to view with much harshness a verbal fraud which, rendered possible only by the clumsy phraseology, or the imperfect development of the plan of the Treaty, defrauds no one of any just right, and carries into effect the object which the framers of the Treay had in view.

A man can hardly state the thing that is not, even though he may consider the statement to be made as a matter of form or in furtherance of a good end, without being more or less demoralized, and the falsity of a declaration regarding transit dues is undoubtedly an evil, but an evil which is purely subjective in its consequences.

The system does not injuriously affect the legitimate rights of the Chinese Government or people, but on the contrary subserves and promotes them, and therefore the aim of treaty revision should be directed, not to withdraw the privilege of transit passes, but to so extend its operation, that the scandal which a partial development encourages may be removed.

The obvious remedy for the existing evil is the legalised application of transit passes to all articles of foreign trade by whomsoever owned, the test of foreign trade being its subjection to a foreign trade tax.

The objections to be anticipated may be considered under three heads.

1stly.—On account of the interference with the Emperor's prerogative, which the limitation of his powers to tax his own subjects would involve.

2ndly.—That a settled commutation of internal dues would cause the means of taxation to be fixed when the fiscal practice of provincial governments is to make them elastic.

3rdly.—On account of the difficulty in administration which would attend a discriminative taxation on produce purchased in the interior, and intended for export in foreign bottoms, and on produce intended for sale on the spot, or for export in junks.

The first objection is one of form and particular precedent, rather than of principal. The Emperor limited his prerogative, when he assented to the exterritoriality clause of the Treaty, and it is just as open to him to limit his powers as regards persons as it is to concede rights as regards land. But in common with many states, the Emperor also limited his prerogative as regards persons when he granted a fixed Maritime Tariff on Imports and Exports, and in principle there is no distinction between an undertaking by treaty not to levy more than a fixed duty on a piece of Shirtings, owned by Chinese, imported into Shanghai, and an undertaking by treaty not to levy more than a fixed duty upon a piece of Shirtings, owned by Chinese, sent from Shanghai to Foochow. The objection, therefore, has no force.

The second objection may be considered as a knot cut through by the swords of the two Treaties, but never properly untied. It must be admitted that in a question of the regulation of internal duties on merchandize, the subject of foreign trade, the interests of the Chinese Government and people are to be kept prominently in view, it being neither the desire nor consistent with a sound policy of foreign governments, to press the progress of foreign trade, by means which would involve revolution in a society, the elements of which are beyond their control. But it cannot be denied that the regulation of internal duties would be beneficial to the national interests, and this being so, the method remains for consideration, there being three courses open for adoption:

1st.—They may be variable by a proclamation of the Viceroy, with or without the concurrence of the foreign Consular authorities.

2nd.—They may be variable by a proclamation of the central authority at Peking, with or without the concurrence of the foreign Ministers.

3rd.—They may be commuted to a fixed duty.

The two first named proposals suggest a variety of grave objections which render them altogether untenable, and they may be dismissed for a consideration of the third.

The advantages to the revenue, and to trade generally, which a fixed scale of taxation possesses over varying and uncertain imposts, need not be dilated upon, while that the issue of certificates to free merchandize from further levies, on the payment of a single duty, is a

practice familiar to Chinese officials, is to be proved by overwhelming evidence. One instance is sufficient, and is ready to hand, in the arrangement between the Shanghai Opium Guild and the native authorities, whereby opium, which has paid the Lekim and other taxes at Shanghai, may pass absolutely free from further impost through all the barriers in the provinces of Keangsoo, Nganwhy and Kiangsi.

A difficulty offered by the competing claims of two or three Vice-regal treasuries, to the taxes on goods in transitu, may be met by an equitable division among them of the fixed duty. The unimportance of the revenue derived from internal levies upon foreign trade precludes the objection that a fixed duty would seriously injure the security of provincial finance, while it may reasonably be argued that the encouragement which a settled tariff and a moderate levy would offer to traffic, would prove a fertile source of increasing wealth to the provincial treasuries.

The question of the amount of duty to be fixed is one not easily settled, and there are obvious objections to an indiscriminate levy of a uniform ad valorem rate over the whole country.

In some provinces the charge incurred may be as unnecessarily heavy, as in others it may be unfairly light; and to arrive at a satisfactory settlement, a statement of the legal dues levied in each of the 18 provinces might be drawn up by a special commission, or by the department of Maritime Customs, upon which might be based an equitable commutation of the taxes levied along the main provincial routes.

The third objection rests upon the administrative difficulty of discriminating between produce intended to be exported in foreign vessels, and produce which is the subject of purely native trade.

Under the Tientsin Treaty, foreigners have the right to bring down produce from the interior under the protection of transit passes, and to dispose of it to natives, but under the plan now proposed, transit passes would be issued to natives and foreigners alike, to protect produce *alone* which is guaranteed to be exported in foreign vessels. To provide this guarantee without creating hindrance to trade more or less onerous will perhaps be impossible, but in consideration of the difficulties which would be removed, the advantages of the change will probably be found to preponderate. At the nearest barrier to the maritime port, the merchandize should be detained for a Custom's permit, which could be obtained on a deposit of export dues, or by some better arrangement, which the experience of the department can suggest, to provide for the security of the revenue with the minimum of inconvenience to the owner.

To sum up the advantages of the proposed system, it would appear that—

1st.—The extension of the privilege of transit passes to the Chinese concerned in foreign trade will remove a great scandal by rendering unnecessary false declaration.

2nd.—Foreign imports, however owned, will be free to traverse the Empire without further impost upon payment of a single duty.

3rd.—Produce for export can be removed from the place of growth to the port of shipment, similarly freed from taxation in transitu, on payment of a single duty. The advantages of this freedom will be partly counterbalanced by the hindrances which the necessary guarantees for the payment of export duty will throw in the way of free transport, but the liberty will be optional, and need not be availed of unless irregular duties in transitu are overburthensome.

4th.—A measure of this kind affording a privilege common to natives and foreigners, though restricted to one branch of trade, will afford to the country an example of administrative reform, which cannot fail to exert a beneficial influence in other departments of the state, and may pave the way to more important progress. Hitherto the system of transit passes has been viewed with jealousy by all classes throughout the country as an exceptional privilege for the benefit of foreigners, but if it be extended to natives, and be acknowledged by the Government, a great step in the education of the people in fiscal economy will have been taken. It is improbable that the measure will be immediately more than partially successful,

but if the principle of it be admitted, the Chinese by slow degress will learn their rights and claim them. Its operation is imperfect, inasmuch as the transit pass on imports will not afford them protection after a parcel has been broken up for distribution, but time and experience will probably develop means by which inconsistencies will be removed.

At all events the counter proposition, that all imports and exports should be saddled with an extra duty of 2½ per cent, in consideration of which the Imperial Government engage to free foreign trade from all internal levies, cannot be accepted by the Chamber.

The worthlessness of Imperial guarantees is too well-known to admit of reliance being placed upon them. The Central Authority cannot control the practice of provincial officials, and it will be impossible to furnish evidence of illegal levies. Even if taxation in transitu be withdrawn, and no one acquainted with the net work of barriers which impedes all the water ways and roads, will believe that, while the sale of offices is a main source of Imperial Revenue, withdrawal is possible; the Imperial proclamation may be evaded by an excise duty upon the hongs whence imports are distributed, or where produce is collected, just as in the case of the hongs in the silk districts, where taxation on silk in excess of the 2½ per cent commutation, is now notoriously levied.

Transit passes will doubtless, under any system, for some time to come, and until wide spread administrative reform takes place, be also partially disregarded, but if the commutation be settled on equitable principles, and the people know that the privilege of them is of universal application, the law will by degrees gain force, and become year by year more and more effective. Meanwhile it is an all important condition that the commutation will be *optional*, so that if the system should prove to be a failure the status quo will be preserved, but under the proposal which will make commutation compulsory there is the serious drawback, that the failure of the system, which is a certainty, will simply be the addition of 2½ per cent to the burthens already imposed upon foreign trade.

It passes the limits of a possible credulity to take for granted that the swarm of unpaid officials who now settle on the industry of the country will be prevented, by an Imperial proclamation, from levying duties on special articles of merchandize, when they have bought a right to a post which is established for the express purpose of generally taxing goods in transitu, or that, through the length and breadth of the country, it will be practicable to obtain authentic evidence of such taxation. And, if the evidence be obtained, is it to be the evidence which will be satisfactory to a British Court of law, or such evidence as fails to substantiate cases of grievance like the Sung Yang claims? and if clearly established, and recognized at Peking, as in the case of the Nanzing duties, will there be any mode of recovery more speedy or effectual than that which has left this claim for eight years unsettled?

It may on the contrary reasonably be taken for granted.

1st.—That in spite of the Imperial proclamation, internal taxation will be levied much as before.

2nd.—That no sufficient evidence will be forthcoming to establish cases for claim.

3rd.—That if the proof be obtained, redress will not be certain.

4th.—That the result will be an addition of a tax of 2½ per cent upon foreign trade, without adequate consideration.

Shanghai, 13th September, 1869.

ARTICLES OF THE TREATIES OF NANKING, TIENTSIN AND THE NEW CONVENTION RELATING TO TRANSIT DUTIES.

TREATY OF NANKING, 1842.

ART. X.—His Imperial Majesty the Emperor of China agrees to establish at all the ports which are, by the Second Article of this Treaty, to be thrown open for the resort of British merchants, a fair and regular Tariff of export and import customs and other dues, which Tariff shall be publicly notified and promulgated for general information; and the Emperor further engages, that when British merchandise shall have once paid at any of the said ports the regulated customs and dues, agreeable to the Tariff to be hereafter fixed, such merchandise may be conveyed by Chinese merchants to any province or city in the interior of the Empire of China, on paying a further amount as transit duties, which shall not exceed per cent. on the Tariff value of such goods.

TREATY OF TIENTSIN, 1858.

ART. XXVIII.—Whereas it was agreed in Article X of the Treaty of Nanking, that British imports, having paid the Tariff duties, should be conveyed into the interior free of all further charges, except a transit duty, the amount whereof was not to exceed a certain per-centage on tariff value; and whereas no accurate information having been furnished of the amount of such duty, British merchants have constantly complained that charges are suddenly and arbitrarily imposed by the provincial authorities as transit duties upon produce on its way to the foreign market, and on imports on their way into the interior, to the detriment of trade; it is agreed that within four months from the signing of this Treaty, at all ports now open to British trade, and within a similar period at all ports that may hereafter be opened, the authority appointed to superintend the collection of duties shall be obliged, upon application to the Consul, to declare the amount of duties leviable on produce between the place of production and the port of shipment, and upon imports between the Consular port in question and the inland markets named by the Consul; and that a notification thereof shall be published in English and Chinese for general information.

But it shall be at the option of any British subject, desiring to convey produce purchased inland to a port, or to convey imports from a port to an inland market, to clear his goods of all transit duties, by payment of a single charge. The amount of this charge shall be leviable on exports at the first barrier they may have to pass, or, on imports, at the port at which they are landed; and on payment thereof, a certificate shall be issued, which shall exempt the goods from all further inland charges whatsoever.

It is further agreed, that the amount of this charge shall be calculated, as nearly as possible, at the rate of two and a-half per cent. *ad valorem*, and that it shall be fixed for each article at the Conference to be held at Shanghai for the revision of the Tariff.

It is distinctly understood, that the payment of transit dues, by commutation or otherwise, shall in no way affect the tariff duties on imports or exports, which will continue to be levied separately and in full.

TREATY OF 1869.

ART. III.—It is agreed that article of the following classes and denominations, namely, Cottons, Linens, Woollens and Cotton Mixtures, &c., imported by British merchants, shall pay both Import Duties and Transit Dues simultaneously at the time of importation; on the other hand China agrees that the above mentioned commodities imported by British merchants, and having paid Import Duties and Transit Dues simultaneously at the time of importation, shall be exempt from all other taxes and changes whatsoever, in treaty port provinces.

ART. IV.—It is agreed that Native Produce purchased in the interior by British Merchants furnished with the documents prescribed by the Supplementary Regulations, shall pay all inland dues and charges on its way to the Treaty Ports; on the other part China agrees that any such Native produce, having paid all inland dues and charges on the way to the port from the place of purchase, shall be entitled to the return of any amount that may have been thus paid over and above the treaty Transit Due (half Export Duty) provided the exportation by British Merchants to foreign ports takes place within twelve months. It is further agreed that native produce shipped to other Treaty Ports shall not be entitled to such refund.

(*Copy.*)

SUPPLEMENTARY CONVENTION

TO THE

TREATY OF COMMERCE AND NAVIGATION OF JUNE 1858,

BETWEEN GREAT BRITAIN AND CHINA.

HER Majesty the Queen of the United Kingdom of Great Britain and Ireland, and His Majesty the Emperor of China, desiring to secure the better execution of the Treaty of Commerce concluded between them on the 26th of June 1858, have resolved, in accordance with the provisions made in the 27th Article to the effect "that either of the high contracting parties may demand a further revision of the Tariff, and of the Commercial Articles of that Treaty at the end of 10 years," to negotiate and (make) supplementary arrangements, and they have for that purpose named as their plenipotentiaries, that is to say, H. M. the Queen of the United Kingdom of Great Britain and Ireland, Sir Rutherford Alcock, &c.; H. M. the Emperor of China, Foong (?Kung), &c.; who after having communicated to each other their respective full powers, found in good and due form, have agreed upon the following Articles :—

ART. I.—China having agreed that British subjects shall participate in all advantages accorded by treaty to the subjects of other powers, it is further agreed that British subjects desirous to participate in the advantages accorded by treaty to the subjects of other powers, shall participate in such advantages on the same conditions on which they have been accorded to, and participated in, by the subjects of other powers.

ART. II.—China having agreed that England may appoint Consuls to reside at every port open to trade, it is further agreed that China may appoint Consuls to reside at all ports in the British dominions.

ART. III.—It is agreed that articles of the following classes and denominations, namely, Cottons, Linens, Woollens and Cotton Mixtures, &c., imported by British merchants, shall pay both Import Duties and Transit Dues simultaneously at the time of importation; on the other hand China agrees that the above mentioned commodities imported by British merchants, and having paid Import Duties and Transit Dues simultaneously at the time of importation, shall be exempt from all other taxes and charges whatsoever, in treaty port provinces.

ART. IV.—It is agreed that Native Produce purchased in the interior by British Merchants furnished with the documents prescribed by the Supplementary Regulations, shall pay all inland dues and charges on its way to the treaty Ports; on the other part China agrees that any such native produce, having paid all inland dues and charges on the way to the port from the place of purchase, shall be entitled to the return of any amount that may have been thus paid over and above the treaty Transit Due (half export Duty) provided the exportation by British Merchants to foreign ports takes place within twelve months. It is further agreed that native produce shipped to other Treaty Ports shall not be entitled to such refund.

ART. V.—It is agreed that Chinese produce shipped from Hongkong to a Treaty Port, shall not be carried inland under the Transit Rule but shall pay dues, duty and inland charges with all other native produce at all barriers passed; on the other part, China agrees to issue to native produce shipped by British Merchants from Treaty Ports to Hongkong, the ordinary duty proofs, and to collect on such produce on their arrival at a second Treaty Port, the ordinary Coast Trade (half import) duty.

ART. VI.—It is agreed that the port of Wen-chow in Chekiang shall be opened to British Trade, and that Kiunchow, named in the treaty of Tientsin shall be removed from the list of Treaty Ports.

ART. VII.—It is agreed that British Merchant vessels shall not be called on to pay Tonnage Dues oftener than once in four months; on the other part England agrees that British Merchant vessels of every description whether used for the transport or storage of merchandize, or conveyance of passengers, or residences (merchant ships,) as well as all crafts of the Chinese type, owned by British subjects, shall pay Tonnage Dues according to their tonnage, if trading from port to port, on the expiration of their special certificates; and if used as hulks in port, on the expiration of the term of four months,—as the case may be.

ART. VIII.—It is agreed that British Merchant vessels shall report to the customs their port of destination and shall hand in Export Manifest when about to clear; on the other part China agrees that the amount of any Fine for false manifests where British Merchants are concerned, shall be determined in accordance with the special circumstances, and shall not in any case exceed the sum of the Tls. Five Hundred.

ART. IX.—It is agreed that in all cases of Fines arising out of breaches of Customs Regulations, the Superintendent or Commissioner of Customs may have a seat on the bench, and take part with the British Consul in enquiring into the case; and in all cases of confiscation arising out of Customs regulations, the British Consul may have a seat on the bench with the Superintendent or Commissioner of Customs, and take part in enquiring into the case. It is further agreed that England and China shall in consultation draw up a Commercial Code.

ART. X.—On the one part China agrees to issue licenses to Pilots; on the other part England agrees to punish British subjects piloting, or who employ persons piloting without a license. It is further agreed that effect shall be given to the stipulation of the Treaty of Tientsin "that for the due restraint of the crews of ships, Regulations will be drawn up by the Consuls and local Authorities."

ART. XI.—It is agreed that drawbacks issued to foreign goods re-exported by British Merchant vessels to foreign countries within three months from the date of importion shall be convertible (at the Hae-kwan Bank) into cash; on the other part England agrees that foreign goods re-exported by British Merchants to foreign countries after the expiration of three years from the date of importation shall not be entitled to drawback of import duty.

ART. XII.—It is agreed that Opium shall pay Import Duty at an increased rate; on the other part China agrees—

(a) That British subjects holding Passports may use their own vessels, resembling Chinese vessels, and propelled by oars or sails when visiting non-treaty ports, or places in the interior.

(b) That Bonded Warehouses shall be established for British subjects at such Treaty Ports as may be expedient.

(c) That the Superintendent of Customs at Kiukiang shall provide a Tug for British-owned Chinese-like boats on the Poyang in the vicinity of Hu-kow.

(d) That Bonds entered into by British merchants for the Re-export of Teas shipped from the Yang-tze ports shall, as an experiment, be done away with.

(e) That the Imperial Commissioner in the South shall open Coal Mines in two or three places, and that the Duty of native coal exported by British merchants from the Southern ports shall be reduced.

ART. XIII.—It is agreed that Silk shall pay Export Duty at an increased rate; on the other part China agrees—

(*a*) That Wu-hu in Nganwhui shall be opened to foreig trade.

(*b*) That foreign grain may be re-exported, and without payment of duty, by British merchants.

(*c*) That materials used by British subjects in Docks, for British vessels shall be exempt from duty.

(*d*) That the List of Duties for Goods for British household use, and Ships' Stores, shall be revised.

(*e*) That Foreign Coal and Guano imported by British merchants shall be free from duty.

(f) That Import Duty shall be reduced on Watches, Pepper, (black and white), Tin Plates and Timber imported by British subjects.

ART. XIV.—It is agreed that each Custom House shall drawn up rules fixing the touch of Sycee to be received in payment of duties by the Bank at each port. It is further agreed that the various documents issued to British subjects (Transit Papers, Passports, &c.), shall be returnable at the expiration of one year from the date of issue.

ART. XV.—It is agreed on both parts that the Articles untouched by the present Revision shall be hereby declared to be renewed and confirmed, and that the revised version shall rule in the case of such Articles as the present version affects.

ART. XVI.—The present Convention shall be ratified; and the ratifications shall be exchanged at Peking as soon as possible.

In witness whereof the respective Plenipotentiaries have signed the present convention, the Supplementary Regulations appended, and the Tariff affecting goods in respect of which duties have been hereby changed; and have affixed hereto their seals.

Dated at Peking in quadruplicate this 24th day of October, 1869.

SUPPLEMENTARY RULES AND TARIFF.

WHEREAS it is expedient that Supplementary Regulations should be drawn up for the better explanation of the Articles of this Convention, the Plenipotentiaries do hereby agree that the appended Tariff and Rules, the latter being in ten Articles following, shall be equally binding on the Government and subjects of both countries with the Convention itself. In witness whereof they hereto affix their seals and signatures.

RULE 1.—The Convention permits certain specified commodities of foreign origin to circulate freely in Treaty-Port provinces, without further liability to inland dues or charges on payment simultaneously of Import Duty and Transit Dues at the time of Importation—when taken inland by British Merchants in person or by Chinese, the Agents of British Merchants, or by Chinese purchasers, while the British Merchant will be required, as provided, by the Treaty of Tientsin, to travel provided with the usual passports, the commodities aforesaid may be conveyed unaccompanied by any Transit certificate and may be sold freely and at pleasure along the road without being in any place called on to pay further dues and duties or inland charges. The various customs' stations passed by such commodities will, however, make such examination as is usual, in order to provide against fraudulent substitution and the transport of prohibited articles.

(2.) With the exception of those classes of commodities which are to pay Import Duty and Transit Dues simultaneously, all other foreign Merchandize, carried inland will continue to be exempt from all dues, duties and Charges *en route*, provided, having paid full Import Duty on Importation and the Tariff Transit Due when leaving the port to enter the interior, it is found to be accompanied by the ordinary proof of payment of Transit Dues, namely, a Transit Certificate. Such goods will be liable to all Dues, Duties and Charges, whenever found inland unaccompanied by Transit Certificates; both British and Chinese Merchants will be treated in accordance with the provisions herein set forth.

(3.) When the commodities specified in the first clause of this Rule are carried inland in Treaty-Port provinces by either British or Chinese merchants, and when such commodities are accompanied by other foreign merchandize of the class provided for in the second clause of this Rule, the latter merchandize will be liable to all inland dues, duties or charges, if not provided with Transit Certificates. Failures to report the presence of any such uncertified merchandize when passing Customs' stations, or any attempt to defraud by carrying native produce in that guise, will subject all the goods of the same description to seizure and confiscation.

(4.) When commodities of the kind specified in the first clause of this Rule, and which simultaneously paid Import Duty and Transit Dues, are to be conveyed by either British or Chinese Merchants to non-treaty port provinces, Transit Certificates should be provided from the Customs at the port started from, on the face of which will be distinctly set forth the name and the place for which the said commodities are destined. On the way from the port to the place thus set forth on the certificate, such certificated commodities will be exempt from all liability to inland charges, dues and duties; but in the event of it being discovered by any customs' station that may make examination, that the Merchandize contained in the packages is different from the commodity set forth in the certificate, or that the certificate is for a less quantity than it is accompanied by, the goods concerned will be confiscated. On the arrival of duly certificated commodities at the place set forth, the certificate will become invalid and the commodities having arrived at their place of destination will be liable to whatever inland charges, dues and duties the locality they are found in collects, and will thenceforth be treated like native produce in the localities concerned.

RULE II.—British Merchants whether going in person or sending Chinese Agents into the interior for the purchase of native produce should obtain from the customs a memorandum. The native produce will be liable to all inland charges, dues and duties on the way of the port, just like any other Chinese goods in Chinese hands. On the other hand each Customs' Station or Barrier will be required to certify to the receipt of the amount of dues, duties or charges there collected, by making an official and duly sealed entry on the face of the blank memorandum. Any sale *in transitu* of the native produce to which the blank memorandum refers will be punishable in accordance with the regulations.

(2.) On the arrival of such native produce at the last barrier the merchant is to report its arrival to the Commissioner of Customs and the goods are to await examination. The memorandum brought back from the interior is to be, at the same time deposited with the customs. Should such native produce be exported to a foreign port (Hongkong excepted) within 12 months from the date of the arrival, the exporter will at the time of exportation pay the usual duty, and as regards inland charges, while on the one hand the exporter will be called on to make up the amount by which the sums entered on the memorandum fall short of the Treaty Transit Due (half export duty), on the other, the Customs will refund to the exporter the amount by which such sums may be found to exceed the Treaty Transit Dues. Should the produce be shipped for conveyance to a Treaty Port, no make up will be called for and no refund allowed.

RULE III.—Foreign Goods re-exported to a foreign country within 36 months of the date of arrival, if found to be in their original packages, with marks and numbers unchanged, will be entitled to receive the refund of the sum paid as import duty, by a drawback, which shall be a valid tender for payment of other duties (tonnage dues excepted.) Goods re-exported after the expiration of the said 36 months shall not be entitled to receive drawbacks. Meanwhile, as regards native produce, drawbacks for coast trade duty will continue to be paid when the produce is re-shipped. After the expiration of that term, native produce will not be entitled to any drawback of coast trade duty.

RULE IV.—British merchants will be allowed one month's grace for the return of such documents as they have taken out when going inland (Passports, Transit papers, &c.) All such documents to become invalid on the expiration of 12 months from the date of issue, and if not returned within 13 months from that date, the applications of the parties concerned for the documents will not be attended to.

RULE V.—At such of the Treaty ports as may be expedient, Bonded Warehouses shall be established, and regulations for their working will be drawn up by the Inspector General of Customs and the Superintendent of the Port concerned. When sufficient reasons for the non-establishment of such Bonded Warehouses exists, they will not be introduced.

RULE VI.—The Supetintendent of Customs at Kiukiang will provide a steam-tug for the use of British merchants on the Poyang Lake, and between Hankow and Kiukiang. The tug in question will be for the towing of British-owned vessels of the Chinese type, and a tariff of fees will be published, in accordance with which, merchants whose boats may be towed, will pay the Kiukiang Customs for that service.

RULE VII.—British merchants who may go inland duly provided with passports to sell foreign goods, purchase native produce, or carry native produce into the interior, for sale, are permitted to use their own vessels, if of Chinese type and propelled by sails or oars, and when in the interior, are further permitted to rent for short periods hotels or private houses where they may store their goods, but on which they are not to exhibit their hong name or the style of their firm. Native produce purchased in the interior and entered on the memorandum for conveyance to the port, must not be sold in the interior. In the case of the inns or private houses thus rented from the Chinese, the British merchant is not to interfere to protect the landlord from the incidence of the taxes or charges for which this house or property is assessable. The Chinese of the locality are not to annoy or molest the British merchant, and proclamations setting forth all that, have been prepared and will be sent to the Governor-Generals and Governors of the provinces, for publication everywhere.

As regards vessels of the Chinese type, owned by British merchants and sent by them to go to non-treaty ports, or places in the interior, such vessels must be registered at the Custom House, when the Commissioner of Customs will issue a certificate of registration, and the flag to be sailed under, the certificate to be countersigned by the Superintendent. Such vessel must exhibit the flag received from the Customs, and comply with the special rules and regulations drawn up for their management. Every vessel unprovided with certificate of registration, detected in the fraudulent use of a flag resembling the Customs' flag, or flying the house-flag of any foreign mercantile firm, or having a certificate and flying the flag of any foreign country, will be subject, with her cargo, to confiscation.

RULE VIII.—The Imperial Commissioner superintending foreign affairs in the North will enquire into the condition of Kin Yung, Lo'ping and Keloong, and will depute officers to work the mines at these places as an experiment; the question of the employment of foreigners to assists in mining and of using foreign machinery will be left to be given effect to by the Imperial Commissioner. The coals produced will be for sale to British and Chinese Merchants without distinction.

RULE IX.—The Rules appended to the tariff attached to the treaty of Tientsin enumerates the articles that are to be admitted free of duty for household use and as ships' stores, and a revised List is to be drawn up by the Inspector-General of Customs and will be hereto appended, of the articles that are thus to be admitted free, for the use of British subjects. Should such articles be carried inland they will be dutiable in accordance with the rule and practice that formerly obtained.

RULE X.—Docks owned by British Merchants will be permitted to import such articles as they require for the repair of ships, free of duty; but on newly built vessels there will be levied a duty of 5% *ad valorem*. Before being entitled to the privilege of importing their stores duty free, such stores must be registered at the Customs and the owners must enter into such bonds as the Customs in question may consider sufficient for the protection of the revenue. A List of the articles to be imported, duty free, will be prepared by the Inspector of Customs and appended hereto.

TARIFF.

IMPORT.

		T.M.C.
Watches, mounted with Pearls	per pair	4.5.0
Watches, Gold	per pair	1.0.0
Watches, Silver	per pair	0.5.0
Pepper, White	per picul	0.4.0
Pepper, Black	per picul	0.2.0
Tin Plates	per picul	0.2.0
Grain, Beans, Foreign Coals—free, whether imported or exported, but to take out permits in accordance with Custom-House Regulations.		
Lumber—reduction to be made after full enquiry in Shanghae.		
Opium—per 100 catties, Tls. 50; and to be dealt with in accordance with the special rules respecting that drug.		

EXPORT.

	T.M.C.
Silk—Raw and Thrown, per 100 catties	20.0.0
Silk—Yellow Szechuen, per 100 catties	10.0.0
Coals, Native—at Southern Ports, per 100 catties	0.0.5
At Northern Ports, per 100 catties	0.0.4

Rec'd 21. Apr. Mr. Platt

envelope

No. 76

W. S. Wells Williams

to Department of State.

Peking, February 23. 1870

Subject.

W. William S. Vernam rejects his appointment as U. S. Consul to Kiukiang

Return his commission to the Department of State.

W. C. S. Rose to be reported as U. S. Vice Consul at that port.

Legation of the United States,

Peking, February 23. 1870

Sir,

I have the honor to acknowledge the receipt of your dispatch to Mr Browne, No: 42 of August 16, 1869, inclosing the commission of William S. Vernam as consul at the port of Kiukiang, which reached me yesterday.

Mr. Vernam arrived in Shanghai in November last, and made inquiries of the acting consul-general and merchants as to the receipts of the U. S. Consulate at Kiukiang, from whom he learned that they did not, on the average, reach $500 a year. He therefore decided to throw up the appointment;

Hon. H. Fish,

Secretary of State.

appointment, and I do not know that he even went to Kiukiang at all. On the 19th ult: Dr. Jenkins writes from Shanghai that he had given him no official notification of his intention to assume the duties of Consul at Kiukiang or otherwise, but had requested the postmaster to send all letters for him to Singapore. It may be that he has written you concerning his reasons for this conduct.

I have been informed that he did not intend to stay at his post, but if the perquisites of his office were enough to pay a deputy, he designed to spend some months in traveling in China before returning to America. In his view, therefore, the appointment of United States consul, seems to have been

procured

procured rather as a means of gratifying his desire to travel, than as a position involving any duties to be performed; and under the circumstances I return his commission to the Department.

Mr. S. C. Rose was appointed by Mr. Salter, who held the post of U.S. Consul for Hankow and Kiukiang, as his deputy at the latter port, and still acts as Vice Consul. As soon as I can learn favorable particulars respecting Mr. Rose, I shall report his name to the Foreign Office as Vice Consul; for it is better to have the officer at Kiukiang independant of those at Hankow or elsewhere, and require him to report directly to his superiors.

I do not know of a previous instance

in

in China, where a consular post has been treated so lightly; but the fact that it can be without involving any penalty, so far as I know, is an argument in favor of reärranging our consular system on the basis of a regular service. Especially is such a change desirable in China and these eastern lands, where consuls have judicial and executive functions, and a knowledge of their language and institutions is absolutely necessary in order to place the consul on his proper relations and influence with the native authorities.

I have the honor to be,

Sir,

Your Obedient Servant,

S. Wells Williams

Memorandum on Dr. Williams's Despatch

No 76.

Dr. W. says on the 4th page that it is better that the Officer at Newchang should be independent of the one at Hankow, but offers no statement of reasons why he should be independent.

Newchang was formerly considered an independent Consulate. Some three years ago I recommended that it should be made an agency of the Hankow office. My reasons given were that it was very near Hankow. So little and unimportant that the number of vessels was very small. not exceeding a half dozen per year. that there was intimately connected with Corea, and that it is important to connect the broad judicial powers granted to Consuls in China to persons interested in Coreaics. These reasons were satisfactory to the Department and the recommenda-

Recommendation was approved.

Several recommendations in the same case were presented to the present Secretary of State on his return to Washington last winter and I understand met his approval.

Geo. F. Seward.

Washington May 31st 1870.

Rec 21 May

Refer to Mr Seward

Mr Pratt

No 77.

S. Wells Williams

Chargé d'Affaires at Peking

To Department of State.

Peking, March 1. 1870

Subject.

Appointment of a salaried Consul at the port of Tientsin.

This topic was treated of in my dispatch of Sept. 7. 1868, but has not been acted on. The American trade at Tientsin is rapidly increasing; the number of judicial cases is large in proportion; the Superintendent of Trade lives there, an officer of influence and high rank; it is the port of Peking;

and

and our flag should be placed on a par
with that of other Treaty Powers.

I therefore recommend that the consul at Chinkiang be removed to Tientsin, and the pay he gets for a marshal be paid to an interpreter there, or he be required to learn the Chinese language.

No: 77

Legation of the United States,

Peking. March 1. 1870

Sir,

In my dispatch No: 29 of Sept. 7. 1868, I had the honor of representing to the Secretary of State the desirableness of appointing a consul to the port of Tien-tsin who should be paid a salary; but I have never heard whether the proposal was discussed and decided to be inexpedient, or whether it failed to be acted on.

I have deemed it best, therefore, to bring it to your notice, and to urge once more the appointment of a consul to reside there who has an adequate salary.

The

Hon. Hamilton Fish

Secretary of State.

The interests and trade of the place are constantly increasing, and those of American citizens now form a larger proportion than ever they did before; in 1864, only 11 American vessels out of 185 entered the port, while in 1868, 66 arrivals out of 299 in all were marked in the Custom-house books. In that year the total foreign trade amounted to more than 17 millions of taels against 9⅓ millions in 1864. The greatest part of the shipping under the American flag are the steamers belonging to the Shanghai Steam Navigation Company.

Since the port was opened in 1861, five vice-consuls have held the American flag, one of them a Netherlander and one an Englishman, all of whom have had their own mercantile affairs to attend to in addition to their consular duties; these last have included

included a large number of troublesome judicial cases arising out of collisions on the river. Another reason for having a representative of our own [illegible] there is that it is the port of Peking, and the residence of the Superintendant of Trade for the three northern ports, (Tientsin, Niu-chwang and Chifu,) an officer of high rank and influence. A consul who can talk the language, has the opportunity to explain difficulties and influence the decisions of this functionary, which no other person can so properly do, and generally to very good effect. The British, Russian, and French consuls have all this advantage, and the present U. S. vice-consul Mr Meadows also talks Chinese. The Minister of the North German Confederation has also just heard

of

of the appointment of a consul to reside at Tientsin, a counsellor of high legal attainments, who will, I suppose, have a well qualified interpreter attached to his office.

As the trade of Chinkiang on the Yangtsz' River is now very small in comparison with Tientsin (less than four millions of taels in 1868), and the shipping - chiefly consists of steamers touching there on the passage up to Hankow, I would respectfully suggest, if there is no other way of attaining the object in view, that the U. S. Consul at Chinkiang be removed to Tientsin, and an allowance of one thousand dollars, which the marshal there receives, be paid for an interpreter at Tientsin. I am sure that the public service, by this change, would be greatly benefited,

benefited, and the position of the American flag at Tientsin elevated. If, however, it be impossible to appoint an interpreter at Tientsin, with the salary of a marshal, then let the consul be designated with the understanding that he shall study Chinese. I cannot here recall half of the disabilities and moitifications which we Americans in China have experienced during the past twenty years, because of the inability of our Consular functionaries to speak the language of the land; and we shall never be released from these drawbacks and our officers take their proper standing in China, until they are thus fitted for their duties and make the Consular life their career. A marked distinction ought to be drawn between

the

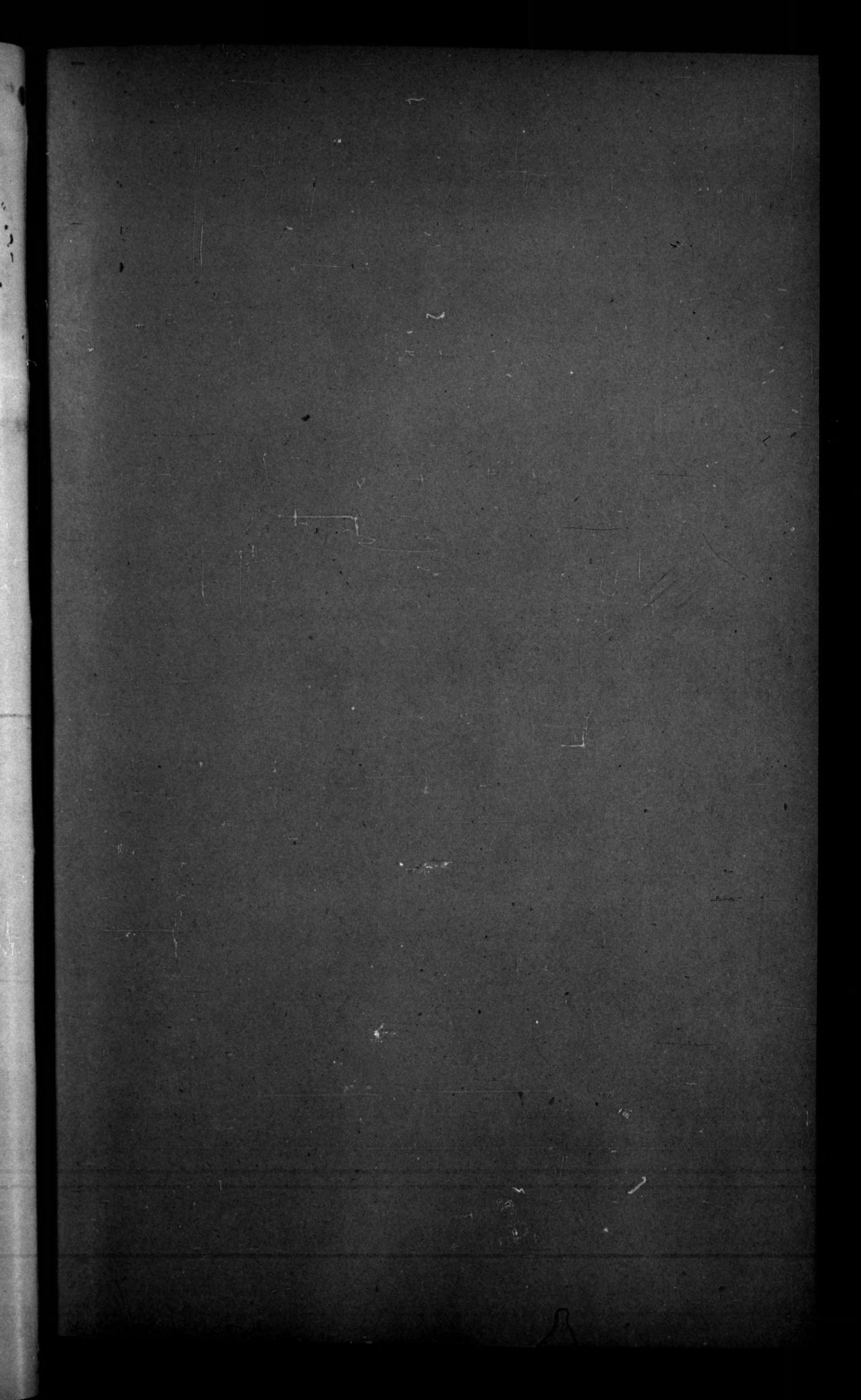
the post of a consul in Europe and in China or Japan, for in these Oriental countries he is a judge, an advocate, and executor of laws, also, to whom important questions are referred demanding much experience and tact. And yet these duties have often been confided in China into the hands of mercantile clerks, foreigners, and youths, who could hardly make out a consular return properly

I have the honor to be,

Sir,

Your Obedient Servant,

S. Wells Williams



Rec'd 21 May. Mr Batt.

Dispatch N°. 78. – 8 Inclosures.

From S. Wells Williams

To Department of State

Peking. March 3d. 1870.

Subject.

Contingent Expenses, 1869.

with list of books.

Explanation of account and the reason for the failure to send Voucher for the first item are given, which leads to a statement of the need of some books in the Library of the Legation upon China and upon Law, seeing that there are neither bookstores nor public libraries in Peking

Wish to know what shall be done with

the

the Chinese books presented last year by the Chinese Government; and a suggestion made to place them in the Library of the American Oriental Society in New Haven, where they would probably be more accessible to students than anywhere else in the United States.

Note

In the Register of the Department of State for 1869-70, W S Wells Williams is put down as from Massachusetts, but he is from New York, & was born in New York, and the date of his original commission is July 1855, not June 1858

No. 8 Inclosures and Vouchers

Legation of the United States.

Peking, March 3. 1870

Sir,

I have the honor to send herewith the account for contingent expenses of this Legation for the year 1869, with accompanying vouchers.

The voucher for the first item in the account was taken away by W. Browne, and I suppose is in the Department; I have written to him at San Francisco for a copy to complete the vouchers, but it has not come to hand. It consisted entirely of a list of the books which he purchased for the use of the Legation,

and

Hon. Hamilton Fish

Secretary of State

and as they all pertain to China and its history, or treat upon questions of international law or details of jurisprudence, they will always be serviceable, and I hope that the expenditure will be allowed by the Department; - for in this secluded place there are no bookstores or public libraries to resort to. In order to show what a meager list all the works belonging to the Legation that treat upon Law, or relate to the affairs of China, I annex, make, a catalogue of the books; it does not include the 690 volumes of Congressional Documents or 46 bound volumes of Legation Archives.

The items in this account are, I think, in conformity with the Regulations for Contingent Expenses, and made out properly;

properly; the Comptroller, in his letter of July 14th 1869, took exception at the manner in which the last years (1868) account was made out, but stated no particulars. The annual allowance of $500 (worth in China about $450) has not been exceeded since 1860, except in the years '62 and '63, when the Legation was moved from Macao to Peking, but it requires close economy not to do so.

Two of the volumes charged in Voucher N: 6 (The Chinese Commercial Guide and Bell's Cultivation of Tea) were sent to Joseph S Wilson, Commissioner of the Land Office, and acknowledged in his reply of Dec. 3d inclosed in your dispatch N: 6 of Dec: 7. 1869.

In Mr. Browne's dispatch of June

29th

29th 1869, No 50, a catalogue and description of the books presented by the Chinese Government in exchange, was made out, and I wish to inquire what disposition you desire to make of them. There are no illustrations to render them objects of interest to persons unacquainted with the language, and I am doubtful about incurring the expense of sending them to Washington until I ascertain your views. They will indeed be always useful in the Legation Library, where there is not a single Chinese book; but if sent to the United States, the most useful disposal of them, it appears to me, would be to place them in the Library of the American Oriental Society at New Haven, where they would be carefully preserved and be accessible

cessible to students in Chinese, at least those residing in that city. This Library already contains many volumes in the Chinese language, I believe, and these would do something to render that whole collection more useful, than if they were isolated and nearly inaccessible to students interested in the literature of the Middle Kingdom, as they probably would be if deposited in the Library of Congress. I, however, merely make the suggestion, and shall keep the books until your directions about them are received.

I have the honor to be,

Sir,

Your Obedient Servant

S. Wells Williams

List of books in the Library of the
Legation of the U. States,
Peking, March, 1870.

I.— Law Books

Burlamaqui's Natural & Political Law
Hallecks Inter. Law and Laws of War
Vattell's Law of Nations
Westlake's Private International Law
Phillimore's Comments on Int. Law. 4 Vols.
Woolsey's International Law
Polsons Law of Nations
Wheatons International Law
  Do Do Do by R H Dana
Elliot's American Diplomatic Code
Bouvier's Law Dictionary 2 Vols
Williams' Law of Executors 2 Vols
Starkie on Evidence
Mayne on Damages
Smith's Action at Law
Kent's Commentaries 4 Vols.
Bishop on Criminal Law 2 Vols
Story on the Constitution
  Do on Equity Jurisprudence 2 Vols
McCall's Clerk's Assistant

I. Law Books. – Continued

Decisions of the Supreme Court of the United States 21 Vols

United States' Digest of Cases 17 Vols

Statutes at Large of the United States. 15 Vols

Brightley's Digest of Laws 2 Vols

Synoptical Index

Equity Digest of Cases 2 Vols

Annals of Congress 29 Vols

American Archives 5 Vols folio

Supreme Court & Consular Gazette, Shanghai, 4 Vols.

Tribute of the Nations to A Lincoln

II.— Works on China, &c

Lord Elgin's Mission to China, by
L Oliphant.
Wolesey's China War, 1860
Swinhoe's North China Campaign
Moges' Embassy of Baron Gros, 1858
Fisher's Three Years service in China
Staunton's Embassy to China, 1793
Ellis' Embassy of Lord Amherst, 1816 2 Vols
Le Comte's Memoirs on China
Bp. Smith Visit to Treaty Ports, 1844
Ivan's Insurrection in China
Sir John Davis' Chinese 2 Vols
Consul Smith's China & the Chinese
Doolittle's Social Life of the Chinese 2 V
Maclay's Life among the Chinese
Lockhart's Medical Missions in China
Milne's Life in China
China & Siam. Bohn's Library
Murray's British India
Africa. Australia. &c
Mossman's China
Treaty Ports in China & Japan
Japan Opened

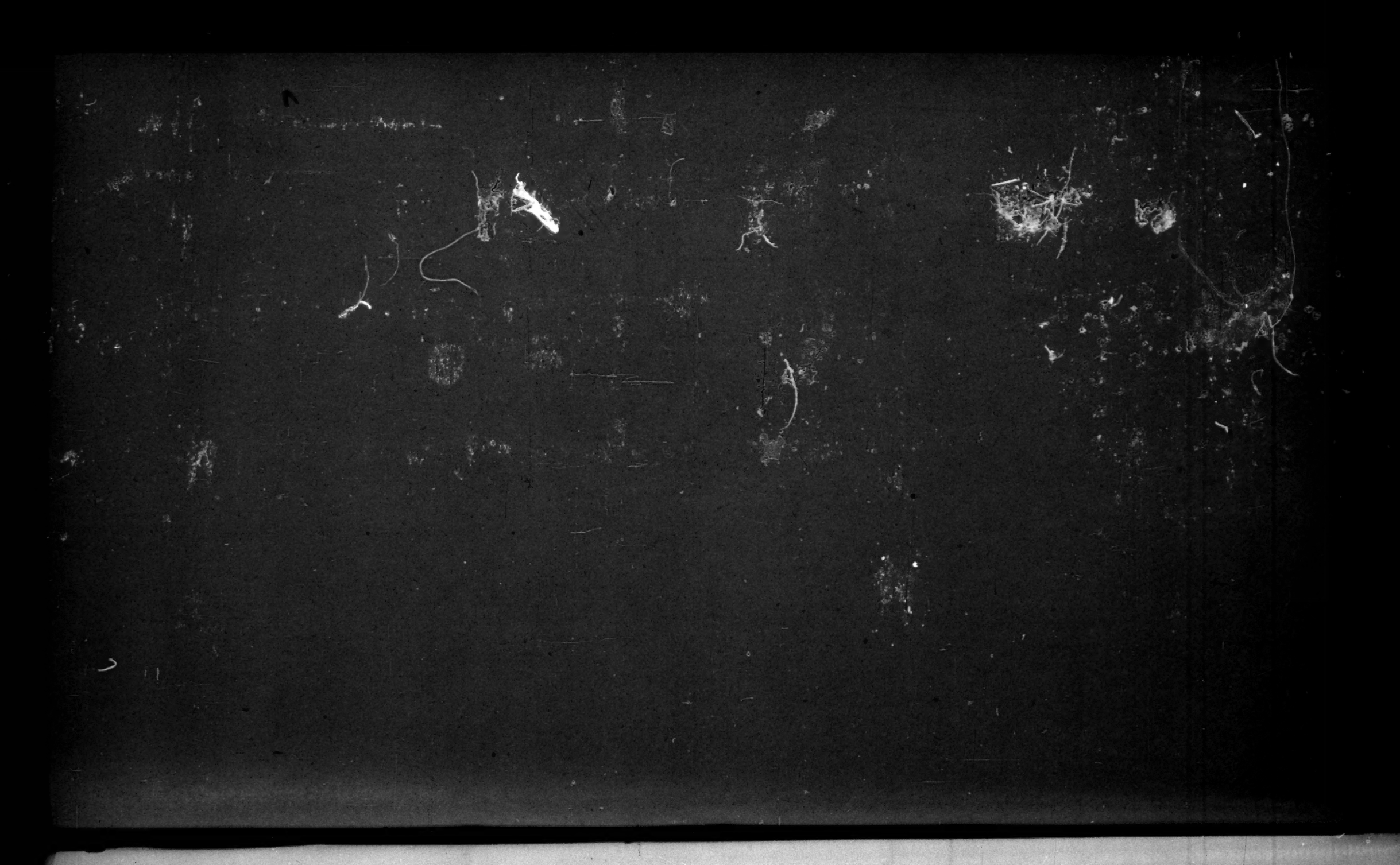
II.—Works on China—Continued

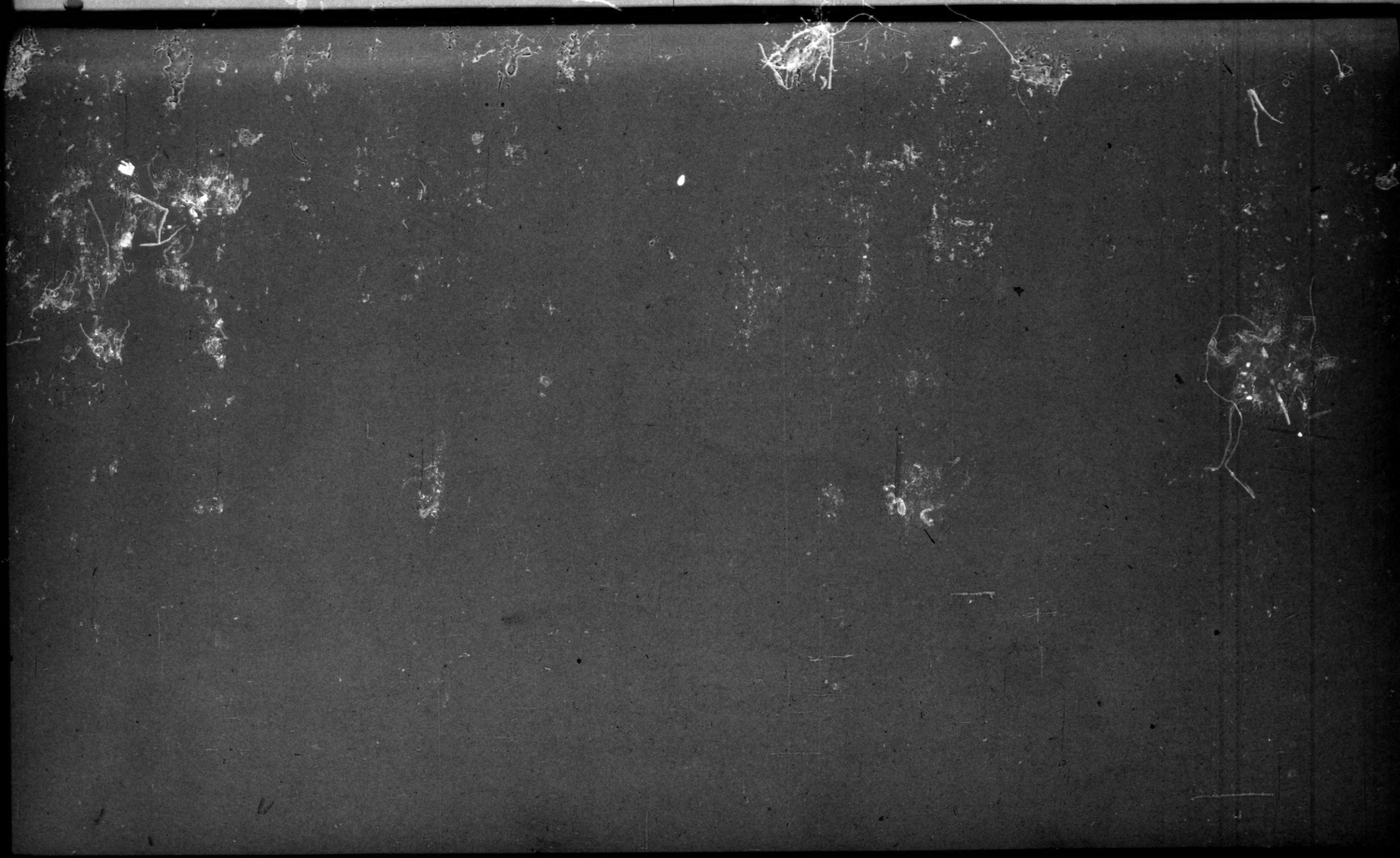
Kæmpfer's Japan 2 V folio

Manners & Customs of the Japanese

Trisi on Rivers and Torrents.

Rémusat's Researches on Tartar Languages





Rec 21. May

acknowledge
Mr Pratt

No. 79 2 Inclosures

S. Wells Williams

to Secretary of State

Peking. March 9. 1870

Subject.

Publication of Eight Additional Articles by Chinese Government.

I brought the publication of the treaty to the notice of Prince Kung on Feb. 19th. (Inclosure A.) sending him a copy of the English and Chinese version with my proclamation of Novr. 23d 1869; and asking him whether His Majesty's Government had taken measures to publish it among the people. His reply of yesterday (Inc.

B.)

B.) shows that it has been satisfactorily distributed.

Legation of the United States,

Peking, March 9th 1870

Sir,

I have the honor to send you Prince Kungs reply [Inclosure B.] to my inquiry about the publication of the Additional Articles to the Treaty among the officials and people of China [Inc. A.]; and I think you will agree with me that the Government has done everything which the Treaty requires. I did not expect that my proposal to insert them in the Peking Gazette - would be followed, for this publication is strictly confined to official reports, decrees, memorials and changes in posts; but

Hon. Hamilton Fish

Secretary of State

but the suggestion may by and by be acted on. There is not yet, in China, that sympathy with the people on the part of their rulers, or that desire among the people to know quickly what their rulers are doing or planning, which exist in Western lands; but the establishment and circulation of newspapers have begun, and they even now form one of the most promising agencies of enlightenment.

I have the honor to be,
Sir,
Your Obedient Servant
S. Wells Williams

Desp. N: 79
Inclosure A

Legation of the United States,
Peking, February 19th 1870

To His Imperial Highness Prince Kung

&c &c &c

Sir,

The Eight Additional Articles to the Treaty of Tientsin, the ratifications of which were exchanged in this city on the 23d of November 1869, have been printed, and I have had copies of them distributed to the United States' Consuls at each port for circulation among American merchants and citizens generally, so that every one may know them.

It is provided in Art. III. of the Treaty, that "His Majesty the Emperor

of

"of China, on exchange of ratifications, -
"agrees immediately to direct the publi-
"cation of the same at the capital and
"by the governors of all the provinces."
I therefore beg to inquire of Your Im-
perial Highness if the provincial autho-
rities have been directed to make known
these additional articles to the local offices
under them, - whether by printing them for
general distribution, so that every one may
learn their provisions; or, which I should
be glad to see done, by inserting them in
the Peking Gazette, where all classes of the
people would be able easily to read or
hear of them.

I beg herewith to inclose a copy
of those which I have had printed of the
eight additional articles in the English

and

and Chinese versions, for the examination
of Your Highness

I have, &c

S. Wells Williams

Desp. N°. 79
Inclosure B

Tungchi, 9th year, 2d moon, 7th day

(March 8. 1870)

Prince Kung, chief Secretary of State for Foreign Affairs, herewith makes a reply.

I had the honor to receive Y. E. dispatch on the 19th of February, in which you informed me that you had directed the eight additional articles of the Treaty, whose ratifications were exchanged last year, to be printed and sent to the United States consuls at the ports for distribution among American citizens; - and further inquired whether orders have been sent to the provincial authorities to communicate these articles to their subordinates by printing and circulating

circulating copies among the people for general information.

It may be stated in reply that at the time when the treaty was exchanged last November, copies of it were sent to each of the Foreign Ministers, to the Superintendents of Trade for the Northern and Southern Ports, and to the Inspector General of Customs. These Eight Articles have likewise been printed, and copies sent to the Superintendent of Trade at Shanghai and to the Inspector-general for distribution at each of the Ports; they have also been furnished to each of the Boards and offices in the capital, and to each of the Governor-generals and Governors and Manchu Commandants in the provinces, for their general information,

information, - all of which is now made known to Your Excellency

To H. E. S Wells Williams
U. S. Chargé d'Affaires ad interim

Rec'd 19. May

Copy to Landsdowne

Mr. Pratt

No. 80

Mr. S Wells Williams

To Secretary of State.

Peking, March 15th 1870

Subject.

Acknowledgment of Dispatches 1-8.

Measures taken to procure specimens of Soil for Commissioner of Land Office.

I have informed the French acting Minister, as directed in No. 5, of the reservation made by the Government of the United States in respect to the French Regulations at Shanghai; and have carried out the request of the Land Commissioner as to procuring suitable soil for tea, by sending to W.

Consul

Consul De Lano at Fuhchau, and to Mr Rose at Kiukiang, who will, if possible, procure and forward samples, obtained from the tea districts.

No. 80.

Legation of the United States.
Peking. March 15th. 1870

Sir.

I have the honor to acknowledge the receipt of your dispatches Nos 1 to 8 inclusive, and of two printed circulars, one dated Oct. 14th. 1869 containing directions about the granting of passports to American citizens; and another of Nov. 10th. about the arrangement of dispatches, &c., &c.

The instructions contained in these dispatches have all been attended to so far as they could be. I have informed Count Rochechouart,

the

Hon. Hamilton Fish,
Secretary of State.

the Chargé d'Affaires de France, that the acquiescence of the United States in the French Regulations at Shanghai is provisional and temporary. In his reply of the 14th, he assures me that he will immediately inform me, whenever he receives any instructions upon this matter from the home Government. The Amended Land Regulations and Bye. Laws for the Government of the Cosmopolitan Settlement at Shanghai have been publicly notified to all the citizens of the United States residing there by the Acting Consul-general, and will go into effect on the 19th of this month.

In order to further the scheme of Mr. Wilson, Commissioner of the General

Land

Land Office, to introduce the culture of tea into the United States, I have sent his request to Mr. De Lano, the Consul at Fuhchau, and to Mr. Rose, consular agent at Kiukiang, and asked them to obtain specimens of soil from the tea regions and plant it with tea nuts in Ward's cases, and forward them to America.

Tea does not grow in this part of China, but those two cities have constant intercourse with the districts in Fuhkien and Kiangsu provinces, where the black and green teas are produced.

I hope these gentlemen will be able to procure both seeds and soil of such a quality that Mr Wilson will be satisfied that the result of his experiment is a fair one; but the —

important

important elements of experienced culti-
vation and curing of the shrub and its
leaves, and a climate suitable to their
development will not so easily be -
found. I think that no observations
have been made by any foreigner with
proper instruments upon the climate
of the most fruitful tea-districts.

In 1849. I had some connection
with an enterprise started in Green-
ville, S. C. by one Junius Smith, to
rear tea-plants from the seed and sell
them to planters in that region who
were desirous of initiating this branch
of industry, but I never clearly learned
the causes of its failure. Perhaps
inquiry among the people of that place
or vicinity would bring out the reasons,

and

and show some things to be avoided in renewing this more favorable and promising experiment of Mr Wilson's.

I have requested Mr De Lano to send his cases to New York by ships, and Mr Rose to put his on board the Pacific Mail Steamers for San Francisco in care of the Collector of Customs. Both of them will no doubt advise you of what they send, with the time and way, so that the adventure may not miscarry through want of attention to the cases at the port of entry.

I have the honor to be,
Sir,
Your Obedient Servant
S. Wells Williams

Rec'd 21. May. Mr. Bates & Mr. E. P. Smith.

No. 81. One inclosure.

W. S. Wells Williams to

The Secretary of State.

Peking. March 16th 1870

Subject.

Passports for American citizens to travel in Interior of China, and Rules for U. S. Consuls.

On receiving the new regulations of Oct. 14. 1869, it seemed to be incumbent to apply them to the issue of passports for travel in the interior of China; but as I endeavor to show that the directions in Arts. II, III, and IV. are not closely applica-ble to such passports, I accordingly draw

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the conclusion that some modification must be made, and urge the request that all passports required for travel in the interior of China may be regarded as an extension or renewal of those granted in the United States, and a fee of One Dollar only be asked for such service

No. 81.

Legation of the United States,

Peking, March 16th 1870

Sir,

I have the honor to acknowledge the receipt of your Circular of October 14th 1869, containing the revised regulations upon granting and renewing passports. The accompanying rules have accordingly been drawn up and copies sent to the U. S. Consular officers in China, in order to introduce uniformity in their practice, and they are now submitted to your approval or modification.

(Inclosure A.)

In

Hon. Hamilton Fish,

Secretary of State.

In doing so, I wish to refer to the circumstances under which passports are required for traveling in China, - which may render it expedient, perhaps, to allow consuls in this country some discretion in this particular, and to modify the rules to meet them. The right to grant passports to Americans - for this purpose is derived from other treaties than our own, in which it is stated that consuls are the proper officers to grant them; the Chinese themselves having no such municipal regulation as passports. Here every man can - freely travel throughout the Eighteen Provinces without official cognizance, and in fact he wishes to have nothing to do with the authorities.

Since

Since the treaties of 1858 have required that foreigners should carry passports when traveling in the interior, they have been granted by consuls at all the ports, and have on the whole been well respected by the local authorities. This respect went so far on one occasion, that the native servant of an Englishman - who himself could not speak a word of the language - took the opportunity to levy a douceur from the authorities on the road from Canton to Kiukiang to defray his master's expenses, basing his demand on the request for protection in the passport. One wonders at the impudence of a native who could carry on such a plan, less than at the ignorance of the officials who could be thus imposed on.

The

The privilege of passports has been hitherto used chiefly by missionaries and travelers to carry out their objects of scientific exploration, curiosity and philanthropy. Very few merchants have gone, either to sell their wares or purchase produce, owing to the expense, ignorance of the language and markets, risks of the roads, and other reasons; and it is not likely that they will do so, as their native competitors will generally render such adventures losing speculations.

It has heretofore been the opinion of the U. S. Minister to China, especially of Mr. Burlingame, that the regulations respecting travel in foreign countries by U. S. citizens under passports, did not apply

apply to travel in the interior of China, especially those who permanently reside in the country. Deeming this opinion to be correct, it has therefore been left optional with the consuls to grant passports to such persons freely or otherwise; and no report of their issues or account of their receipts has been required from them. But the regulations now received seem to bring these passports under the same requirements as all others; and it is under this impression that I have issued those now submitted to you. Applications for passports by American citizens to travel in Europe are very rare, and such are not at all likely to be confounded with those for going through China.

I would, therefore, submit it

to

to you whether all the provisions of Arts. II. III. and IV. of these new Regulations are strictly applicable to travel in this empire. Here a passport is evidence that the bearer carries his ex-territoriality with him, and is amenable only to his own national authorities; it is, I think, to be viewed rather as a municipal regulation between the Chinese authorities and the Treaty Powers, in order to facilitate the latter in furnishing proof to their subjects of their nationality vis-à-vis the former, and bring its holder under the cognizance, aid, or restraint of the local authorities as may be requisite. Seeing that the Chinese officers charge no fee for countersealing a passport, it may be enough to allow the Consul only the usual fee

for

for notarial acts either when issuing and renewing it. The British consuls charge One dollar. In support of this view, it should be observed, that the passport which the American citizen may have brought with him to China, and for which he has already paid five dollars, is useless to him for traveling through this country, as he must be furnished with one drawn up in English and Chinese, and may have never before had occasion to present the original one. It bears somewhat hard on missionaries to pay five dollars for another, and at some consulates they form more than half of the applicants. I do not know what the rules are in Turkey in this matter, but I believe the local authorities there derive some

revenue

revenue from issuing and viséing passports; but it appears to me that the passport granted by a consul in China to an American citizen might very properly be looked upon as an extension or renewal of the one he obtained in his own country, & specially intended for traveling in China, and the fee for granting or renewing it be the same as that ordered in Art. IV. for a visa i.e. One Dollar.

No application has yet been made by a Chinese-born naturalized American citizen for a passport, so far as I know; but among the large number of Chinese now in, or going to The United States, it is not improbable that there may be some who will, or have become citizens, and who may hereafter

hereafter return to their own country. One or two such are now living in China, who have conducted themselves so as to be a credit to their foreign education. It is needless to forecast trouble from this source, but one can imagine that difficulty might arise if a large number of Chinese, who have been naturalized in America, should return to live among their countrymen as natives do. It is however, only one of the many difficulties arising from the principle of ex-territoriality. The British authorities have extended protection over all Chinese born in Hongkong, as well as those who are natives of Singapore, Malacca and Penang; and it is remarkable how little trouble has arisen, considering

the

the great numbers of them coming and going, many of whom themselves really regard China as their home. However this new topic is not relevant, and the United States is fully able to protect all its citizens, - and what is more difficult, restrain them from jeopardizing themselves and involving its amicable relations with this Government

I have the honor to be,

Sir,

Your Obedient Servant,

S. Wells Williams

Disp. No. 81
Inclos. A.

Copy.

Four Rules upon granting Passports.

To _____ _____

United States' Consul

_____ China

Sir.

Your attention is requested to the following rules respecting the granting of passports to American citizens for travel in the Interior of China, to go into effect on reception.

I.— Due care must be taken to conform to the Regulations of the Department of State in obtaining satisfactory proof of the applicant's citizenship before granting him a passport; and the Consul should exercise prudence

as

as to whom he grants it.

II.— Passports are to state, both in English and Chinese, the name or names of the places to be visited.

III.— The fee payable to the Consul for each passport is Five Dollars. It can be renewed at the end of the year, if no charges have been brought against the holder, by the payment of One Dollar, either at the Consulate where it was issued or at any other port.

IV.— The moneys received for issuing or renewing passports are to be credited in the Consuls Quarterly Returns to the Department; and he is also directed to make an annual report to the Legation

at

at Peking of the names in Chinese and English, of the persons to whom he has issued passports, with their profession and destination

Given under the seal of the Legation of the United States at Peking, the twenty-fourth day of February, 1870

L.S.

S. Wells Williams

Chargé d'Affaires